

FINANCIAL TIMES

Weekend June 3/June 4 1989



We<u>ek</u>end

WORLD NEWS

ef

Passport staff join strike action

Work at Britain's six main passport office's was severely disrupted by a strike by clerical staff in support of colleagues in Liverpool who started an indefinite strike on

Tuesday over staffing levels. The Civil and Public Services Association, which claimed strong support for the stoppage, warned of further action unless the Home Office agrees to substantial increases in staffing levels. The NUCPS civil service middle managers union may also strike. The Home Office said only 25 per cent of staff, including casuals, were involved in the strike.

Transport strike call Unions representing staff on London Underground, London Buses and British Rail threatened strikes over the next three weeks. The National Union of Railwaymen followed the drivers' union Aslef in call-ing a strike ballot in a London Underground pay dispute pay. Page 22

Teachers attack Baker Head teachers made a fierce attack on Education Secretary Kenneth Baker at their annual conference. Mr Baker said standards in schools were not rising quickly enough. Shorter day could lift standards,

IRA man freed from gaol IRA man Gerard Kelly was released from the top-security Maze Prison, Belfast, after serving 16 years for his part in London bombings, including an attack on the Old Bailey. Ulster Unionist MP Ken Maginnis claimed Kelly had been released too early because of a "shoddy" extradition deal between Britain and the Netherlands where Kelly was recaptured after escaping in

BBC dispute unresolved Broadcasting unions and the BBC failed to resolve their dispute over a 1989 pay increase after two days of talks with Acas, but talks will continue next week. Page 5

Hospitals may opt-out More than 150 hospitals have expressed an interest in becom-ing self-governing under pro-posals for reforming the NHS, Health Secretary Kenneth Clarke will announce next

seecu attacked Hungarian reformer Imre Pozsgay attacked hard-line Romanian communist leader Nicolae Ceausescu as an arrogant and inhumane man who trampled on human rights, referring to a Romanian programme to destroy villages

and relocate their ethnic Hungarian inhabitants. Mappa Mundi Issue falls A share issue aimed at saving the Mappa Mundi, Hereford Cathedral's medieval art treasure, collapsed with just £1m worth of applications at the close of the offer, a third of the minimum required to make project viable. Page 4

Highland phone network The Highlands and Islands of Scotland will get an all-digital lecommunications network by 1992, sooner than many other parts of Britain, partly thanks to a government grant of £4.9m.

Une is new Japanese PM Japanese Foreign Minister Sousuke Uno. 66, succeeded Noboru Takeshita as Prime Minister, ending a month-long succession quest by the scan-dal-ridden ruling Liberal Democratic Party. Page 22

Dog curbs ruled out Environment Secretary Nicho-las Ridley ruled out the introduction of a national dog regis-ter as a means to control the ownership of dangerous breeds, after a number of attacks by Rottwellers in particular.

BUSINESS SUMMARY

Employment growth in US slows further

US EMPLOYMENT growth slowed further in May, the Department of Labour announced. Overtime and average working hours fell, and hourly pay advanced only 0.1 per cent. Unemployment fell by 0.1 per cent to 5.2 per cent.

The figures were weaker than markets had forecast, and aroused strong expecta-tions that the Federal Reserve would soon ease monetary pol-icy. Bonds and equities rose sharply, and the dollar fell.

AUSTRALIAN Mutual Provident Society raised its share-holding in Pearl Group, the home service life insurer, from 4.5 per cent to 18 per cent at a cost of just under £100m. Shares in Pearl rose 360 from 390p to 430p signalling a belief that the move might be the

that the move might be the prelude to a bid by AMP, the largest life group in Australia. AMP said it had taken the opportunity to add to its existing shareholding and declined to comment on bid speculation. It said it paid FAI 418p per share which values the Pearl Group at £752m. Page 22; Lex, Page 22

DAF, the Dutch truck maker which is 40 per cent owned by Rover of the UK, said its international share issue had been heavily oversubscribed. Investors had applied for Fl 16.86bn (\$7.6bn) worth of shares – 20 times as many as are being issued. Page 10

KOOR Industries: Bankers Trust of New York withdrew a court application to wind up Israel's biggest company when Koor's leading creditors signed a debt repayment and recovery plan for the group.Page 10

THE TREASURY moved to stem a drop in gitt-edged bond prices by denying a Financial Times report that it was reconsidering the way it funds the public sector borrowing requirement. Gilt market reaction was sceptical. Prices of long gilts fell % point in early-trading relied on the Tree. trading, rallied on the Treasury denial, then elipped to close % point lower on the day, to give yields of around 10.25 per cent. Page 4

TRAFFIC congestion costs companies millions of pounds a year, according to the Con-federation of British Industry. it says an extra £1bn needs to be spent on roads in the south of England. Page 4

FOOTWEAR manufacturing output fell to £85.3m in March. a fall of 5 per cent compared with the same month last year. The industry has faced increased international competition since 1987. Page 4

WEMBLEY, leisure and property group, has made an agreed £22m bid for Juliana's Holdings, the hospitality and disco company. Last year Juliana's made pre-tax profits

HENDERSON Administration, fund management group, announced pre-tax profits for the year to end-March of £12.44m, down from £22.46m. The drop was less severe than expected, and there was a sharp improvement in the second half. Page 8

of £1.8m.Page 8

ASEA Brown Boveri, Swedish Swiss electrical engineering group, is to establish, with Westinghouse of the US, a company to service light-water reactors in Europe. The venture will have an initial turnover of SKr600m (\$89.9m) and about 600 employees. ABB will own 51 per cent of the com-pany and Westinghouse the balance. Page 10

HUNGARY'S parliament broke new ground by accepting sav-age budget cuts which Prime Minister Miklos Nemeth said were needed to regain support from the International Monetary Fund for a new credit, agreement.

MARKETS

STERLING New York lu \$1.595 London: \$1.592 (1.573) DM3.1175 (3.12) FFr10.5775 (10.5825) SFr2.6825 (2.68) Y225,75 (224.5)

£ index 92.5 (92.4) GOLD New York: Comex Aug \$368.9 (367.3)

Longon: \$362 (same) M SEA Off. (Argus) Brent 15-day Jun \$18.075 (same)

Chief price changes yesterday: Page 22

DM1.9575 (1.983) FFr6.646 (6.7275) SFr1.685 (1.704) Y141.75 (142.7) \$ index 71.6 (72.2)

DOLLAR

New York DM 1.9605 SFr1.67775 9.84 (9.78) Tokyo close: 141.80

US LUNCHTIME

RATES Fed Funds 9% 3-mo Treasury Billa: yield: 8.66% Long Bond: 10332 yield: 8.49% STOCK INDICES FT-SE 100; 2.102.6 (-0.8) FT Ordinary: 1,745.5 (-0.1) FT-A All Share; 1,089.39 (-0.1%) FT-A long gilt yield

index high coupon: New York Kinchi DJ Ind. Av.

Yokyo: Nikkel 33,687.42 (~313.93) LONDON MONEY 3-month interbank: closing 13县 (14县)

2.511.4

No. 30,859

Weighted Index ave. 1985 = 100

UK Reserves

Underlying change (\$bn)

haunted by what was widely-perceived to be a lack of clear direction over the Govern-ment's monetary and exchange rate policy. They remained unconvinced about whether the Chancellar or the Prime

FT~SE 100 Index Dec 31, 1983 = 100

index ended down 0.8 points at 2,102.6, having closed lower every day this week.

Gitt-edged securities dropped sharply amid concerns about possible changes to the Government's funding policy which might lead to the Bank of England buying-in fewer

of England buying-in fewer stocks than previously thought. Long-dated stocks fell up to ¼ point on the day to give a yield of about 10.25 per

cent.
UK official reserves dropped
an underlying \$739m (£463m)
last month as the Bank of

England intervened to support sterling. The size of the fall

THOUSANDS of troops marched into the centre of

Peking last night as the Chi-

nese Government appeared finally to be moving against the protesting students holding out in Tiananmen square. However, the 10,000 troops,

who appeared to be members of the National Liberation

Army, were halted and turned back just short of the square by thousands of protesters, who had commandeered buses and parked them in the path of

The troops were apparently unarmed and marched towards

the square just after 2am

Peking time.
There were scuffles as the NLA soldiers met the wall of protesters, and the barricade of

buses. Without clear direc-

tions, the troops seemed disor-ganised, and the massed crowd urged them to turn back.

"You are the people's army.

Don't hurt the people," some of the protesters chanted. Other protesters roused residents and

urged them to join in while

more troops joined the column which had marched in from

the east of the city.

The move indicated that the

Chinese Government had

finally lost patience with the

students, who triggered Chi-

na's worst political crisis in a decade, and was intending to

the soldiers.

Peking students

turn back troops

By Robert Thomson and Peter Ellingsen in Peking

UK Gits

Treasury 113/4% 2003/7 Red. Yield

by City analysts, prompting speculation that the Bank had bought pounds on forward markets, disguising the scale of its activities.

Mr Nigel Richardson, economist at Warburg Securities,

said: "It has done everything it Continued on Page 22 Continued on Page 22
Treasury acts to stem gilt
price fall, Page 4; Editorial
Comment, Page 6; Government
bonds, Page 10; Money
markets, Page 11; World Stock
Markets, Page 12; London
Stock Exchange, Page 15;
Lex, US employment figures,
Page 22

reassert its control after weeks

Over the past week Li Peng.

the prime minister, and Deng

Xiaoping , China's paramount leader, have gained the upper hand in the power struggle

with the country's reformers. The militiamen had entered

the city from the east after rumours of an NLA advance from the west had sent thou-

roin the west han sent mou-sands of protesting cyclists in the wrong direction, and prompted citizens to barricade the city's main streets. Earlier, police blocked the main road leading west. One officer said he had been told

the military was entering the city, though he had not seen

any truck convoys.

The only evidence that

troops were preparing for a march on the 10,000 protestors

still in Tiananmen Square was the sighting of armed soldiers drilling at the nearby Peking railway station, army trucks circling the inner city and Chi-

nese television devoting much time to film of troops camped on the outskirts of the city.

Tiananmen Square and were

rousing residents in expecta-tion of the arrival of troops,

the path of troop trucks.

The reaction of the protest-

sands o

Continued on Page 22

George Bush and his Texas maila' made it all the way from Houston to the White

Page I

A NEW

DYNASTY

FROM TEXAS

Peter Riddell reports on how

Finance Sara Webb looks at the best deals — and the pitfalls — of buying and selling your holiday money

Page III **Diversions**

Lucia van der Post on hats to tum heads. Plus: A new series on walks through history; Nicholas Lander on the taste of Scotland: Edmund Penning-Rowsell on the 79 vintages; Philippa Davenport on cooking

Pages XX-XXI

Property Overseas property: A made-to-measure mountain village, buying in France and the rebirth of the Algarve Pages XV-XVII

Arts Michael Coveney reviews Dustin Hoffman as Shylock Page XXIII

Sport Michael Thompson-Noel previews the Derby Pages XXIV

yesterday after a hectic week in which Mr Nigel Lawson, the

Chancellor, was forced to deny

used to support the pound.

By Quentin Peel in Moscow

THE PENT-UP frustration of

the conservative majority in

the Soviet Union's new Congress of Deputies boiled over yesterday as Dr Andrei Sakharov, the most distinguished dissident in the assembly, was

howled down for daring to

accuse Soviet troops of atrocities in Afghanistan.

Speaker after speaker denounced the nuclear physicist, who had been banished to the town of Gorky for almost seven years for protesting at the 1979 invasion of Afghanistan.

Yesterday he was shouted down when he tried to respond to an angry attack by a legiess Afghan veteran. Mr Mikhail Gorbachev and the entire Polithuro joined in a standing ovation for the watern when he

tion for the veteran when he accused Dr Sakharov of "irre-

sponsible and provocative assertions."

The extraordinary scenes

took place shortly after an announcement that the Com-

munist Party central commit-

tee planned an emergency ple-num later in the day to

consider the course of the Con-

It seemed certain that many of the ruling party hierarchy, speaking behind the closed doors of the plenum, would vent their anger and dissatis-

faction about the sweeping

attacks on the leadership, which have been broadcast live

throughout the Soviet Union.
The meeting is intended also

gress so far.

UK reserves fall as Bank intervenes to support pound On the Bank of England's trade-weighted index, the pound closed 0.1 points higher

there was a sterling crisis and worries intensified in the City about divisions within the Gov-ernment, writes Ralph Atkins. Sterling's modest recovery on foreign exchange markets only partly reversed steep falls earlier in the week which had raised the spectre of a rise in rations of an easing in the Federal Reserve's monetary policy.

Speculation was also fuelled by a cut in the prime rate of a base rates to 15 per cent. It came as Treasury figures showed a further erosion in Britain's gold and foreign cur-Midwestern bank.
UK financial markets were

Uproar as Sakharov

criticises Soviet army

ment. That job seems certain to remain with Mr Nikolai

Ryzhkov, in spite of strong

criticism of the government's handling of the economy.

Mr Ryzhkov yesterday con-firmed that he was the party's only candidate. He said the pla-

num might well hear a further defence from Mr Yegor Ligachev against charges of

involvement in corruption and of incompetence in his position

of agriculture policy chief.
The Polithuro itself, he said,
would say quite clearly
"... we are firmly convinced
this is not true."

majority was made by Afghan veteran Yuri Chervonopissky,

crutches.

taken prisoner.

pound closed 0.1 points higher at 92.5 but down 0.9 points on the week. It rose yesterday by nearly two cents against the dollar but slipped a quarter of a pfennig against the D-Mark to end at DM3.1175.

Sterling was helped by falls in the dollar after weaker-than-expected US employment figures which triggered expertations of an easing in the Fedthe Chancellor or the Prime Minister was directing economic management.

Mr Michael Hughes, economist at Barclays de Zoete
Wedd, said: "The twitches
about the political damage are

far greater than I've seen in 10 years of Mrs Thatcher." Share prices fell rapidly early in the day but later recovered after rises in New York. The FT-SE 100 share

sion of the Supreme Soviet, the nation's new indirectly-elected standing parliament, which is supposed to appoint a Prime Minister and a new governthree most emotive words for those party traditionalists fear-ful of reform. "This country is the birthplace of Communism." It was a speech which brought the entire platform, led by Mr Gorbachev, to its feet, together with most of the

deputies. In response, Dr Sak-harov never had a chance. "I deeply respect the Soviet army and Soviet soldiers," he tried to shout, over a cacophony of catcalls and handclapping. "I never insulted the heroic Soviet soldiers who carried there but the partition! served there, but the war itself, which as a criminal adventure,

which as a criminal adventure, and a huge crime by our country, which cost the lives of almost Im Afghans."

It was as if the speech had signalled the opening of floodgates, allowing abuse to pour from both from soldiers and A string of speakers defended the party against its critics, who have so far dominated the air time with their speeches at the assembly.

However, the address which galvanised the largely silent

ordinary deputies.
Marshal Sergei Akhromeyev,
the former chief of the Soviet
general staff, said the claim
was "a blatant lie, and Academician Sakharov won't be able to find any documents to con-

And a woman deputy from Uzbekistan won another stand-

harov was unrepentant. "I only regret that I did not mention

He denounced Dr Sakharov for claiming, in an interview during a Canadian visit, that Soviet helicopters had gunned down Soviet troops in Afghaning ovation when she said: With just one step...you have insulted the entire army, the entire nation, all our war dead." istan to prevent their being Outside the hall, Dr Sak-"Over 50 per cent of you are Communists," he said, "and

all the crimes of the Soviet army in Afghanistan," he said.

yet the three words I have not heard are Power, the Mother-land, and Communism" - the to prepare for today's first ses-Abbey National warns it may have to delay market flotation

By David Barchard

ABBEY NATIONAL, the second largest UK building society, is being forced to constock market flotation it planned for mid-July, Mr John Fry, the director for group services, said yesterday.

A later date may become necessary because the Building Societies Commission, the industry's regulatory watchdog, is taking longer than expected to authorise Abbey National's conversion from a building society into a bank after a formal hearing two weeks ago.

Mr Fry said: "If I don't know by the end of Monday that we bave the go shead, I shall have to ask my professional advisers to consider other options."

Last night the Building Societies Commission was unable to say when the result of the hearing would be announced. A ballot held in April

Where looting is a form of survival

showed that an overwhelming number of Abbey National members approved of the con-The society had expected the commission to authorise the

change about the end of May. This would have enabled Abbey National to announce a price for its shares and to issue share applications to members in the middle of this month. Vesting day - the date when trading in the shares would have begun on the stock mar-ket - would have followed a month later.

However, it now seems there will be insufficient time to permit a share price announce-ment by mid-June. Any later date would push flotation into the holiday season and might therefore be ruled out. Abbey National would then have to give serious consideration to a post-August date.

Mr Fry said: "I don't want to

put off the flotation till Sep-tember because so much momentum has built up ady. More than 4m of our members have already filed details for the free share A September date would put

Abbey National's flotation very close to the scheduled date for privatisation of water compa-However, given the present

very depressed state of the housing market, a later date might enable Abbey National to set a better price for its shares than in July.

The offer price, originally expected to be over 140p, seems likely to be closer to 120p if a July flotation takes place. Proceeds from the sale of shares to members might then drop from about £1bn to about £900m. All qualifying members are also

12,13 . 14 . 4,5

16-19

CONTENTS County NatWest and the Blue Arrow se Rates "Our motives were not base" Man in the News: Prime Minister Sousuke Uno of Japan European Opt FT Actuaries Editorial Comment: A benign scenario President Bush: -Brief rest on the laurels of a Nato triumph Argentina: ...

Share Informs Wall Street Foreign Exchanges

Austrie Schizz: Behrain Dir0.700; Bermode \$1.50; Belgium BF/50; Cenada C\$1.00; Cyprus C20.50; Denment OK/10.00; Egypt Ef2.25; Finland Fmk7.00; France FF77.00; Germany Dkf2.50; Greece Dr120; Hong Kong McS12; (sciend IKR126; India Rup16; Indonesia Rpd.100; Ireland IKD.60; Israel IKR3.50; Impl L1700; Jepan Y800; Jordan File.500; Kureak File.500; Lebanon \$1.25; Lucembourg LF/68; Melayela Rind 22; Melan 40c; Mensico Pea.500; Morocco Drid gol; Metnerland File.500; Norway McTio.00; Forugat Earch(0; Schaben Rind,00; Singapore \$54,10; Spain Pe146; Sri Lanka Rup30; Seeden SK/10.00; Seltzerland SF/2.40; Talwan NT\$85; Thaßend Bh660; Tunksia Din0.800; Tunkse L800; UAE Dh7.00; USA \$1.00.

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Congress is the best show in town

Ouentin Peel on a talk-shop which is astounding Soviet citizens

in the Soviet Union these past eight days. One newly-elected member of the Congress of People's Deputies, Mr Mikhail Gorbachey's new super-parliament, compared it to a national

"Everyone is glued to radios or television sets," he com-plained. "No work is getting

That may be an exaggeration and the cynics ask: "What else is new?" - but there is no doubt that millions of Soviet citizens have been following the live broadcasts from the Congress with anazement, fas-cination, and a little horror. Only now, is their attention beginning to flag.

So far, the secretariat of the Congress has received more than 64,000 cables and letters from ordinary electors since the session began just over a

Electoral

favours

arithmetic

Communists

By Christopher Bobinski in Warsaw

POLES tomorrow will elect representatives to two parlia-mentary houses, the Senate and the Sejm, under a compli-cated system agreed at the

have to win more than 50 per cent of the votes to be elected on the first ballot. A second

the next round.

week ago. Special switchboards have been set up to take the incoming calls. Perhaps the event which most galvanised the citizens was the failure to elect Mr Boris Yeltsin, arguably the most popular man in the Soviet Union after Mr Gorbachev, to the new Supreme

Soviet, the standing parlia-ment. That was put right two days later when another depthe stood down, but only after a furious backlash was threat-ened, and the cables doubled. "You could bring on a thousand naked dancing girls tomorrow, and I wouldn't react," a leading Moscow author remarked. "I have heard it all now." He was referring to the

astonishing outburst in the Congress from the former world champion weightlifter, Yuri Vlasov, who dared pub-licly to challenge, and savage, the all-powerful KGB, the Soviet secret service.

When he said that the KGB should leave the Lubyanka (its huge headquarters on Dzerzhinsky Square) it was the most moving moment of my life," the writer's wife said. "My father died in that base-

Outspoken deputies in the Congress are a minority – at most about 800 out of 2,250 – but they are the ones who have transfixed TV viewers, with open attacks on Mr Gorbachev himself, Mr Yegor Ligachev, the leading conservative in the Politburo, and a string of top government officials.

Then there has been the passionate debate between a respected Georgian academic, and the general who commanded the Soviet soldiers who broke up a nationalist

demonstration in Tbilisi on

April 9 - causing 20 deaths.
The fiery Baltic nationalists from Estonia, Latvia and Lith-uania have also had a chance to have their say on national television, and show they are not the fanatics they are nor-mally portrayed as in the offi-cial Communist Party press. And they have got their way in getting an official commis-sion to investigate the Soviet annexation of their republics

back in 1939. The whole exercise is not yet-fully-fiedged democracy. The instinctive rejection of multi-ple candidates for top jobs sees to that. But it is an open to that. But it is an open talking shop, the like of which today's Soviet citizens have never seen. Words mean almost as much as deeds in

But it is far from over yet, and even Mr Gorbachev must be wondering where it is all going to end.

Why Solidarity fears a landslide at the polls

Lech Walesa and his fellow moderates see dangers in a big victory, reports Christopher Bobinski

OLAND'S elections tomorrow are the freest the country will have seen for more than 40 years and look set to signal a hig vote of no confidence in the Communists, who have been in power since 1944.

round-table talks between Soli-darity and the Communist regime earlier this year. For both houses candidates The vital question in the election, which will be more of a plebiscite than a clash of pol-icy options between Solidarity and the authorities, is not ballot is scheduled for June 18 and then the first-past-the-post principle applies. Only the two top candidates for each seat in the first ballot go through to whether there is an anti-gov-ernment tide but how strong it will be and how it will affect the country's future.

The elections are the result of the round-table talks between Solidarity and the

The Senate, a new institu-tion, will have 100 members, with Solidarity and the estab-lished parties competing freely in the country's 49 provinces (three senators each from War-Communist authorities earlier this year. The meeting came after General Wojciech Jaruzel-ski, the party leader, decided in the face of a growing threat of saw and Katowite and two each from the rest). The Senate will have the right to amend legislation passed by the Sejm and a two-thirds majority will be needed in the lower chamserious industrial unrest that Lech Walesa's movement, Ille-gal since 1981, had to be brought in from the cold. The accord, which became possible accord, which became possible in the wake of the Gorbachev liberalisation in the Soviet Union, legalised Solidarity as a trade union. It also saw the movement agree to enter parliament in a minority role thus, in effect, broadening the octabilishment's base of sup-The Seim will be elected under a system which gives the establishment 65 per cent of the 460 seats in the chamber.

The seat allocation gives 173 to the Communists (PZPR), 76 to the United Peasant Party establishment's base of support Party (SD) and 23 to three offieran dissident and one of the key architects on the opposi-tion side of the round-table, says: "Both Solidarity and the cial Christian groupings. In these elections, more than one candidate is being put up for the various seats.
Some 161 seats are up for authorities saw that we were never going to be able to destroy one another so we decided to try and work together" to reform the politigrabs between non-party mem-bers and this is where Solidar-ity is putting its candidates for-

ward. Thus, in the same election, voters will be able to cal and economic system.

It is this evolutionary philosophy which underpinned the choose only among members from the various parties and not between the parties themmonth-long round-table talks bringing the two sides closer together than either would like to admit. It is also Mr Kuron's selves.
One complication is that the authorities have carved 35 seats out of their pool and put them on a "national list". This view that both sides now realise they risk being swept away if the accord fails to stabilise the country's political situa-tion and bring economic

POLISH Communist Party

announced yesterday, Reuter

N a country which places great value on local con-nections and family ties, Mr John Cushnahan is a most

unusual politician.

Mr Cushnahan was born in the Falls Road, in the heart of

nationalist West Belfast. A Roman Catholic, he was until recently the leader of the Alli-ance Party, the only political party in Northern Ireland

which claims support from

both Catholic and Protestant

Mr Cushnahan is now stand-

ing in the European elections for Fine Gael, the main opposi-tion party in the Republic of Ireland, in the constituency of Munster in the far south. He is

the first Ulster politician to have crossed the border to fur-

ther his political career.
The reaction among Munster's 700,000 voters is friendly if

somewhat puzzled. "Welcome to the Republic" says a farmer in the County Limerick village

communities.

contains the establishment's most prominent members and will be voted on by electors in every constituency. Some can-didates on the list could fail to be elected if enough voters cross out their names.

Once elected, Seim and Senate will meet to choose a president by a simple majority of the combined members of both houses. The head of state will have wide-ranging powers over foreign policy, the army and police. He will also appoint a prime minister and have the right to veto Sejm legislation, which again can be overnmed by a two-thirds majority in the lower chamber.

Hungary cuts budget to win **IMF** support



Lech Walesa campaigning for Solidarity candidates this week, but he has put in a word for his opponents too.

body, the Senate, under an entirely free ballot where Soildarity is expected to take at least 75 per cent of the seats. In the Seim, where 65 per cent of 460 seats have been allo-ed to the Communist Party table agreement, Solidarity is competing for the remaining 161 seats and is expected to take at least 80 per cent of

The rest it could lose to independents from the opposition who failed to win a place on the official Solidarity list and are standing on their own, like Professor Richard Bender, a Christian Democrat from Lublin, or, indeed, to generally popular, if apolitical, personali-ties like Ms Zdziaława Guca, a television news reader enjoy-ing official support in a Warsaw constituency.
Indeed, the election has seen

a flowering of many political trends, ranging from ultra-Catholic nationalists like Mr

Gen Jaruzelski to visit Britain

told her Polish hosts that if anthorities opened up a dia-logue with the then-banned Solidarity trade union the West would be willing to leader General Wojciech Jaruzelski will make an offi-cial trip to Britain June 10-11, the official news agency FAP extend economic assistance to help heal the Polish economy. The discussions between Gen Jaruzelski and Mrs Thatcher in Britain are expecannounced yesterday, Keuler reports from Warsaw.
The visit, at the invitation of Prime Minister Mrs Margaret Thatcher, will be Gen Jaruzelski's first to Britain.
Mrs Thatcher spent three days in Poland in early November, when she pointedly ted to focus on increasing eco-nomic co-operation between the two countries and on Poland's debt problems.

Tomorrow, Poles will be Marian Starowolec Siedlee, for choosing 100 members of a new the Senate, to Mr Janusz Korthe Senate, to Mr Januar Kor-win Mikke, standing in Wro-claw for the free market Real-ist Union, a small group declaring itself to be "the only party which honestly wants to bring back capitalism." Should the authorities suffer

> handful of seats in the Se this would open a period of confrontation between the two sides with grassroots pressure on Lech Walesa and his colon Lech wales and his col-leagues at the top of the move-ment to drop their moderate policies as well as activating hard-liners opposed to the round-table agreement. It would also provide more evi-dence to Mr Gorbachev's oppo-nents in the Kremlin that his policies were destabilising the Soviet realm.

Soviet realm.

One danger is that prominent party politicians like General Czesław Kiszczak, the Interior Minister and round-table chairman, will fall to get into parliament. He and 35 other prominent colleagues are on a national list. Every elector throughout the country can cast two votes for candidates on the list, and each candidate has to get more than 50 per cent of votes to be elected. This cent of votes to be elected. This could prove difficult given the country's mood and the advice some Solidarity rank-and-file candidates have been giving to cross everyone off. Indeed, Mr Walesa has been saying that some, at least, of the names on the list are deserving of support for fear of having their round-table partners fail to enter parliament.

Japanese foreign investment soars

By Stelan Wagstyl in Tokyo JAPANESE direct investmen in foreign countries soured by 41 per cent in the year to the end of March to \$47hm, as Japanese companies poured money overseas to diversify, cut costs, and ease trade fric-

According to the Finance According to the Finance Ministry, manufacturing industry, which stepped up overseas investment in response to the strength of the yen and of protectionist sentiment in Western countries, increased its share of the total from 28.5 per cent to 29.4 per cent. Financial companies, the higgest single group, with investments totalling \$13.1hm, saw their share drop alightly from \$1 per cent to 27.9 per from 31 per cent to 27.9 per

Real estate companies' share rose modestly from 16.3 per cent to 18.4 per cent, or a total of \$8.6 m. The last figure is almost certainly an understatement as it excludes property investment by non-property companies such as hotel chains.

As in previous years, the US was the higgest target country for Japanese foreign investment, accounting for \$21.7bn or 46.2 per cent of the total, against 44.1 per cent in 1867. against 44.1 per cent in 1987. Europe's share was virtually unchanged at 19.4 per cent, or a total of \$9.1bn. The biggest chunk of this went to the UK — with \$4bn, followed by the Netherlands with \$2.4bn, and Luxembourg with \$657m.

Investment in Australia doubled to \$2.4bn, including a large proportion of real estate investment. In Asia, where Japanese manufacturing companies have been building new factories to take advantage of low-cost labour, investment low-cost labour, investment rose nearly 14 per cent to \$5.6bm. The increase was smaller than the overall rise because of the smaller partici-pation of real estate companies

Among manufacturing industries, electronics compa-nies and vehicle makers accounted for \$5km and \$4km respectively, or more than half the treat

in the region. The biggest investment was in Hong Kong, which attracted \$1.7hm, followed by Thailand, where

the total.

• Japan's sessonally adjusted current necount surplus increased last month to \$6 the fresh \$6.1m in March, according to the Finance Ministry. The trade surplus totalled \$7.4m against \$7.1m

Meanwhile, Japanese invest-ment in foreign securities, chiefly bonds, soured last month to \$13.50s, an increase reflected in the recent rise of the US dollar since most of the securities bought by Japanese investors are US treasury bonds. This compared with net sales of \$1.7hm in March, when many investors were adjusting their portfolios for the financial year-end.

Mitterrand heads for Tunisia talks

MR François Mitterrand, the President of France, will start a two-day state visit to Tunisia on Monday, the Foreign Minis-try announced yesterday, Reu-ter reports from Tunis. ter reports from Tunis.

R will be the first official visit by a Western head of state since President Zine al-A-bidine Ben Ali took power in November 1987.

Tunisla is home to the head-quarters of the Palestine Liberation Overnigation but

quarters of the Palestine Lib-eration Organisation, but French diplomats said no meeting was scheduled between the French president and the Palestinian leader Mr Yassir Arafat. Mr Arafat made an official visit to Paris on

seriously short of funds and staff.

Mr Cushnahan tries to

Tougher action urged to combat arrears to IMF, World Bank

By Stephen Fidier, Euromarkets Correspondent, in Berne

FINANCE MINISTERS from the Group of 10 industrialised countries yesterday urged tougher action to combat the growing problem of debtorcountry arrears to the Interna-tional Monetary Fund and World Bank. The ministers, meeting in

Berne, broadly endorsed a new US strategy for reducing Third World debt burdens. World debt burdens.

They also hacked an understanding amounced in April redefining the relationship between the IMF and World Bank, which gives the IMF primary responsibility for macro-economic issues.

economic issues.

Reiterating concern about arrears to the sister institutions, the ministers agreed that when arrears occurred, reme-dial action should be taken

quickly. A report by deputies to the ministers and central bank governors said arrears dam-

governors said arrears cam-aged "the co-operative nature of the institution".

Officials from creditor gov-ernments have been worried about the lack of sanctions against countries which go into arrears with the Fund or Bank, particularly those unwilling rather than unable

to pay.

The report, named after the group's chairman, Mr Lamberto Dini, deputy governor of the Central Bank of Italy,

suggested the Fund do more to publicise arrears, and that pen-alty charges might be a way of dealing with the problem.

The LMF is now studying the issue. The report underlined that forcing a country to with-draw as a member was an ulti-

mate sanction if other avenue to redress the arrears failed. to redress the arrears raised.

The report's support for the new debt strategy was worded cautiously, reflecting some concerns that a majority of governments in the group have with the new approach, which aims to accelerate debt and debt service reduction. aims to accalerate dest and debt service reduction. These countries, led by Germany and the UK and including the Netherlands, Sweden and Can-ada, are worried that official support for debtor interest pay-ments to banks smacks of sub-

Some are also bothered by the prospect that the Fund and Bank may now lend, in certain circumstances, to countries in arrears to commercial bank creditors of where banks had failed to reach an agreement with the debtor. The Fund "should proceed with caution" on this issue.

• The meeting was chaired by Mr Otto Stich, Swiss Finance Minister, who confirmed his government's interest in joingovernment's interest in join-ing the two institutions. Such a move would be the subject of a referendum.

W German unemployment dips below 2m level

By David Goodhart in Bonn

WEST German unemployment fell to 1.95m (7.5 per cent) in May — its first drop below the 2m level since October 1982.

Although unemployment has fallen faster than expected over the past few months, thanks to faster economic growth than expected, the average annual figure is not expected to fall comfortably below 2m until early in the next century.

next century.

Mr Morbert Ritim, Employment Minister, told the Bundestag that 1.2m new jobs had been created since 1983 and that the number in work

- 27.5m - was the highest in
the history of the Federal

Defending the Government's labour market policies, he pointed to the relatively low youth employment (16.8 per cent) and the recent decision to spend an extra DMI.75bn on

now make up more than one-third of the total. The population of working age will decline after 1991 but will be partly offset by an increasing number of Aussiedler (East Bloc Germans) and of

women seeking work.

The proportion of women in work is still well below that in the US or the UK but Mr Bilm said that 700,000 more women had found jobs since 1983. The minister also appealed again for an increase in part-time jobs which at 13 per cent of full-time jobs lags behind most other industrial countries spite a sharp increase in the last two years.

The most likely source of new jobs is in the public services, specially in the caring services, looking after, the increasing number of elderly people. By international standards Germany has fewer long-term unemployed who higher proportion of doctors.

Argentina supermarket riots claim 14 lives

By Gary Mead in Buenos Aires

Argentina's four days of super-market looting in Buenos Aires and Rosarlo, One of the dead, a nine-year-old boy, suffered injuries from a police rubber

Throughout Thursday and yesterday, police began arrest-ing members of the "Partido Obrero" or PO (Worker Party). Its national leader, Mr Jorge Altamira was held, along with Mr Juan Carlos Capuero and Mr Christian Reth, alon of the Mr Christian Rath, also of the

PO.

The leftist PO now faces the likelihood of being held partly to blame for the recent riots. Mr Altamira stood as PO presidential candidate in the May 14 elections, when his party gained 0.2 per cent of the total actional, antenational vote. The slum districts of Buenos Aires were yesterday still the scene of intense police and

FOURTEEN people died and civilian vigilante activity. another 80 are seriously Fears lingered that those who injured in hospital following had looted supermarkets might

turn to nearby houses.

The government and political parties have begun to send
emergency food supplies into
the worst affected areas. More the worst affected areas. More than 300 people are under arrest in the province of Buenos Aires, the PO arrests forming a handful of the total.

Analysis predicted yesterday that May inflation will have been an average 80 per cent, with medicines registering a 221 per cent increase. On Monday, the central bank begins issuing a new 50 000 austral issuing a new 50,000 austral note, ten times greater than the current largest note.

The Argentine Industrial Union (UIA), Argentine's manufacturers' organisation, yesterday warned that "payment of salaries is almost impossible in the current situation", and total closure of factories may

Saudis gain few backers for scrapping Opec target

SAUDI Arabia yesterday appeared to gain scant support for its proposel that the Organ-isation of Petroleum Exporting Countries scrap its \$18.2 barrel of price target, as Opec's 13 of ministers met in Vienna.

The meeting preceded Mon-day's formal opening of Open's annual ministerial conference, where its output celling and quota allocation will be decided for the second half of the year. The outcome is expected to have a big impact on the oil price.
Mr Fawzi Shakshuki, the

Libyan minister, suggested Opec should merely roll over its current, much violated, production agreement in the sec-ond half of the year. onn nan or the year.

A consensus appeared to be building that Opec should raise the ceiling by at least 1m b/d above the current calling of 18.5m b/d. But this would raise the contentions issue of here. the contentions issue of how to allocate the increase.

Kuwait has demanded a special increase in its quota and that of the United Arab Emir-The issue threatens to cause

a further erosion in Opec production discipline since Knwaiti oil officials are saying privately that Knwait will ignore its quota unless its demands are met There are fears that unless Opec finds an adequate response to the Kuwaiti demand, oil prices could weaken seriously as Opec members open the taps. Opec's current production, estimated at over 21m b/d, is thought to be about all the market will tolerate. The Kuwaiti bid for a higher quota is expected to be resisted by most Opec members,

although the position of Saudi Arabia has been clouded by reports that it is considering a ompromise formula. Both Algeria and Libya reaffrom Algeria and Libya rear-firmed support for Opec's \$18 price target, maintained for two years. Other delegates said they did not understand the purpose behind the Sandi pro-posal.

The Saudis declined to expand on the proposal to scrap a reference price, although they said Opec should regulate the market by adhering strictly to output quo-tas and allow traders to deter-

Bonn lets Moscow see Stalin pact

By David Marsh in Bonn

BONN has given Moscow access to secret documents to help clear up the background to the 1939 Hitler-Stalin pact which paved the way for World War II.

War II.

Bonn said yesterday Soviet historians had visited West Germany to see documents on the pact at the Foreign Ministry. The 1939 agreement has been attracting growing controversy in the Soviet Union, mainly the Baltic states, and in Poland. Under the pact, Germany and the Soviet Union carved up Poland between them and the Soviet army moved into Latvia, Lithuania and Estonia.

and Estonia.

Mr Mikhail Gorbachev asked
Chancellor Helmut Kohl to supply the documents last October. The Bonn Foreign Ministry has unearthed a map drawn up by Hitler's Foreign Minister, Von Ribbentrop, and Stalin showing apportionment of territory.

Bulgarian Turks cross border

More than 500 Bulgarian More than 500 Bulgarian Turks were expected to have crossed the Bulgarian-Turkish border by last night, as Sofia continued to eject protestors against its campaign of enforced Bulgarisation of its Turkish minority, Jim Bodgener reports from Ankara.

The numbers have steadily increased since an imspecified increased since an unspecified number of deaths in clashes between protestors and Bulgar-ian security forces a fortnight

yesterday's contingent was the largest to cross into Turkey since the Bulgarisation cam-paign — forcing Bulgarian Turks to renounce their ethnic-ity — started in late 1984.

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Ulster's steamroller bemuses the Limerick natives Kieran Cooke reports on one of the more unusual cross-border candidates

HUNGARY'S parliament broke new ground yesterday by accepting severe budget cuts which Mr Miklos Nemeth, the Prime Minister, said were needed to get support from the International Monetary Fund for a new credit agreement, Renter reports from Budapest. It is the first time the communist authorities have called for cuts in a budget already in

The government's hand was forced after the IMF suspended payment of the fifth tranche of a \$350m standby credit because Hungary had failed to meet budget and current account targets in the first quarter of this year.

Deputies agreed to cut projected apending for 1989 by 36bn forints (£360m) and increase revenue by 5bn forints (£50m). Plans agreed in December foresaw a budget deficit of 19.5bn forints (£195m) and a hard currency current account deficit of \$400m. But the bud-get deficit had overshot to 290n get deficit had overshot to 29bn of Askeaton (Pop. 1,500: Two churches, eight bars). "Don't current account deficit to \$700m at the end of April."



Constituency profile CONSTITUENCY

the North without coming down here?" asks a shop-Mr Cushnahan, nicknamed

"The Steamroller" in Northern Ireland due to his forceful approach to many issues, parries and cajoles. The extended vowels of Ulster clash with the sing song local lilt.

"I've come down here to sort
you lot out," he says with a
grin. "Don't blame the politicians, change them." Ironically, Northern Ireland is not an election issue in Munster or elsewhere in the Republic of freiand. Ireland is holding a General Election on June 15, the same day as the European elections. Inevitably Mr Cushnahan finds himself caught up in local issues. Emigration, potholes and

the health service are the issues here, he says. Issues here," he says.

Ireland has a population of
3.5m. In each of the last three
years more than 30,000 mostly
young people have emigrated.

The figure for this year, with
unemployment at 18 per cent,
is expected to be higher.

The present Fianna Fail Government led by Mr Charles. ernment, led by Mr Charles Haughey, has made substantial cutbacks in public spending in an effort to bring the national debt, at present more than

1224bn (220bn), under control.

While tough fiscal measures have boosted confidence in the

economy, spending cuts have

had serious consequences. Many roads, especially in rural areas, are in a very bad state.

emphasiae European matters. "Increasingly decisions will be made in Strasbourg that will influence the lives of people here," he says. European awareness in Ireland is still low at the last election in 1984 only 47.6 per cent voted, the second lowest figure after Britain's 32.6 per cent. European apathy is most evident in urban areas. In the countryside and in Munster's

small towns and villages voters are keenly aware of the impact of EC decisions on agricultural spending. Agriculture accounts for more than 10 per cent of Ireland's GDP (compared to a European average of under 4 per cent). Mr Cushnahan is repeatedly asked about EC milk quotas and grants for land improvements. He says mechanisms must be put in place to allow the small farmer to enlarge his cattle herd and bring in more income, some-thing which is impossible

under the present quota system and the roads here are a shambles. There is no real plan for improvement," he The public health service is scheme.

The Irish Republic has 15 seats in the European Parliament. At present eight are held by the governing Fianus Fall party (allied with the Gaulists), six are held by Fine Gael (Christian Democrate), and (Christian Democrats) and there is one independent.
Fourteen candidates are contesting Munster's five seats,

among them Mr Patrick Ryan, the former Roman Catholic missionary priest who was at the centre of an extradition row involving Belgium, Ireland and Britain late last year. Mr Ryan, who is standing mainly to protest about British policy in Northern Iraland, has made little impact so far and is not expected to win more than a few hundred votes.

Mr Cushnahan says the Irish-Government has done little to beighten European awareness and prepare the country for 1982. When the channel tunnel is built Ireland will be the only country without a direct connection to the European continent. Yet the transport

says. Ireland, classified as a less developed or . "Objective 1" region within the EC, hopes to receive more than E3bn of EC structural fund support in the years up to 1992. Last March it submitted its funds application to Brussels.

"The plan was a sham," says "The plan was a sham," says
Mr Cushnahan. "There was no
proper consultation with local
groups, there has been no
attempt to promote regional
bodies or local identity. Government here is becoming ever
more cantralised and power
more concentrated."
Mr Cashnahan believes it is Mr Cushnahan believes it is vital that Ireland joins the

mainstream of Europe. "The country cannot just sit on the periphery. its economy will be perimery, its economy will be integrated with Europe. It should also import some of the ideals of Europe. Old rivalries and bitterness should be finally forgotten. That would do an awful lot to solve the problems of this island."

solve Peking's traffic problems

world nor Italians of his authority in the queue for Auselda's services, but he fact that a Rome-based company, Auselda, is poised to provide an electronic aid to overcome the difficulties encountered by public buses trying to circulate around the have concluded that Rome and Milan ought to be well ahead of his authority in the queue for Auselda's services, but has far too politic to say so. Instead, he implied that the lialians could take a leaf out of Peking's book and discourage the use of private transport. There are only 420,000 vehicles on the streets of the Chinese capital and 7.2m blcycles, but it seems that both frequently trying to circulate around the Chinese capital, Peking. It is only in recent weeks that student barricades have

Italy, too, could take a leaf out of Peking's book, reports John Wyles

added to the traffic headaches daily suffered by Xi Guang Di, deputy director of Peking's transport company. The recent disturbances halted all the capital's 4,100 public buses for two full days, but Xi happily reported in Rome yesterday that when he left the Chinese cantial a week ago, services capital a week ago, services had been restored on 169 out of

He and three colleagues have been examining public transport in a number of Italian cities as a final preinde to deciding on whether to go ahead with a project planned by Anselds which would instal a televisual monitoring and electronic traffic management system for Peking's public

Xi would almost certainly

There are only 420,000 vehicles on the streets of the Chinese capital and 7.2m bicycles, but it seems that both frequently conspire to clog no less than 40 of the city's main intersections. Auselda's project would give traffic managers advance warning of bottlenecks and passengers detailed informa-tion about which has services are running more freely than others.

Half of the L4bn-5bn (£1.7m-£2.1m) cost of the project would be funded by the Euro-pean Community, which is sep-arately sponsoring an ambi-tious urban traffic control project, Europolis, in which Auselda is involved with three other European countries.

After meeting the Roman transport authority, Xi must have been struck by the contrasting economies of the two capitals' systems. Rome apparently needs a government subsidy to cover 82 per cent of its operating costs and Peking operating costs and Peking only 35 per cent. A monthly bus ticket in Peking costs around L1,200 and in Rome

But it surely is too improbahie to expect Rome to import Chinese transport managers

Romans help to Darker side of Sweden's welfare state on trial

Many fear the Palme murder trial will merely be part of a never-ending drama, Robert Taylor writes

N Monday morning, so often regarded abroad as a model of competence, have displayed naïvety and amateur-lism in their handling of the Petersson, a 42-year-old drop-out with a criminal record, will appear in the Stockholm High Court charged with the murder of Mr Olof Palme, the Swedish Prime Minister, who was gun-ned down in the street on his way home with his wife from the cinema on February 28,

Many Swedes hope that the trial can provide the end to a confusing and bizarre mystery but others fear it will merely be a further episode in a never-ending melodrama that coutinues to excite the Swedish media. Even Mr Petersson's conviction — a debatable question — is unlikely to lay to rest the doubts and suspicions aroused by Mr Palme's death. aroused by Mr Palme's death.

The spectre of the assassination continues to haunt the country. In the frantic search for the killer, the Swedes have been treated to a series of highly public events which have often degenerated into French farce. The country's police force has often looked at best incompetent, at worst culpable. The public investigators have displayed an alarming

have displayed an alarming

readiness to resort to illegal acts such as unauthorised tele-

phone tapping and smuggling weapons into the country.

The ruling Social Democrats,

affair. Just over a year ago Mrs Anna Creta Leijon, the Justice Minister, was forced to resign after the revelation that an author had been carrying on a free-lance investigation on her behalf into the murder.

Above all, Sapo, the state intelligence service, has become the subject of festering suspicion. It has even been suggested that the so-called Black Rose, a right-wing group in their midst, was responsible for the assassination on the grounds that they believed Mr Palme to be a Soviet agent.

The authorities were con-

vinced from the very beginning that the assassination was not the work of a single individual. They assumed that Mr Palme had been the victim of an international conspiracy, not without some circumstantial supporting evidence and not unreasonably, since the Prime Minister was an outspoken and controversial figure on the

Plot stories proliferated. It was once suggested that Chi-le's President Pinochet was involved. The finger of suspi-cion was also pointed at different times at the South African government, Ayatoliah Ruhol-lah Khomeini's Iran, and the

secret service of Sadaam Hussein's Iraq. A number of sus-pected terrorist units were also paraded through the media a Croatian group, the Red Army faction in West Germany, and above all an obscure Marxist-Leminist party called the Kurdish Workers party – the PKK – who were the prime suspects for Mr Hans Holmer, who headed the mur-der inquiry for the first 11

No doubt, there are those who will believe that Mr Petersson if he is convicted - is no more than the convenient scapegoat for the assassination, a social outcast whose violent life has been spent in a twilight world of crime, alcohol twilight world of crime, alcohol and drugs. Just as the Nazis pinned the burning of the Reichstag on a demented Dutchman, so the Swedish authorities, desperate to solve the murder mystery, may be over-eager to hlame a deviant from their own country with a proven record of violence.

In the immediate aftermath of the assassination, many commentators reflected that the Swedes had somehow lost their innocence, that their

their innocence, that their affluent, comfortable and rather complacent way of life could no longer be taken for granted. Yet Sweden remains a haven of stability in a violent world. It is true that occasional

police raids in recent years have unearthed arms caches and evidence that cells of foreign terrorists are at least sleeping in the country. Last New Year, there was a wellpublicised scare about a threat by Abu Nidal to attack Arlanda airport just outside Stockholm. But the Swedish psyche does not seem to have

changed to any great degree.
Mr ingvar Carlsson, the present Prime Minister, has a bodyguard, but his cabinet colleagues do not enjoy the same protection, not even Mr Sten Andersson, the foreign minis-ter, despite his invaluable mediating role in the Middle

Israel. It is still possible to see leading politicians walking alone in the street, eating in restaurants unprotected, and generally behaving like normal human beings. The trauma of Mr Palme's end has failed to turn Sweden into a paranoid

But at the same time, the

often farcical search for his killer has exposed in a cruel and hurid light the inner workings of the Swedish state. As is the way in Sweden, inquiries and reports are the stuff of life and the spate of studies carried out over the past three and a half a years have cast genuine doubt on the commonsense and competence of the authorities. Until now most Swedes seemed to hold an almost childlike faith in the wisdom of those who rule over them. It would be an exaggeration to suggest the country is suffering from a crisis of confidence in its government as a result of what her hear and a suffering them. what has happened. But the old traditional, rather touching trust of most Swedes in gov-ernment has certainly been damaged by the exposure of some of their recent antics. The trial itself seems very likely to provide further evidence of the Inspector Clou-

seau-like behaviour of the

Stockholm police. In the 3,000

Rast between the Palestine Lib-eration Organisation and last week on the Petersson case, it is suggested that leads connecting him to the murder alibi was known to have been fizwed as long ago as 1986 but nobody had bothered to check it out more thoroughly at that time because of the single-minded obsession with the international terrorist theory.

The interrogation methods of the police are also being questioned, particularly their handling of Mrs Palme, who identified Mr Petersson from a video of an identity parade, not face to face, and in the absence of his defence lawyer. With no confession, the murder weapon undiscovered, and no obvious motive, the evidence against Mr Petersson remains circum-

For many Swedes, the prospect that the alleged killer of their Prime Minister was not the agent of a foreign power or a hired gunman but a man who was born and shaped in their own country is deeply offensive. It throws a stain over the Swedish Model, revealing a darker side of the benevolent and prosperous welfare state that has been the envy of the world for over half a century. Indeed, it is more than the trial of one man that holm High Court.

Barcelona in row over Olympics hotels plan

By Peter Bruce in Barcelona

A ROW between Barcelona's Socialist municipality and the conservative Catalan Governconservative Catalan Govern-ment over the city's plans to build 12 luxury hotels ahead of the 1992 Olympics here is threatening to leave Barcelona without enough accommoda-tion for the thousands of visi-tors exceeded to the greatest

tors expected to the games.

The regional government has rejected all 12 sites chosen by the city council in April, arguing they would impose on semi-green zones or involve demolishing existing public facilities. Critics say the socialists may be vasily over-estimating the numbers who will travel privately to see the Olympics

The council, the official Olympic hosts, wants hotel chains to build on the sites, mostly in or near the city cen-tre, to accommodate 3,000 peonot wanted just for the games, but to make up for a serious shortage of accommodation in Barcelona anyway.

They say Barcelona, with 7,960 three, four and five star hotel rooms, has only 4.7 rooms per head of population, about a third of those of London and Paris and half the per capita count in Milan or Rome.

"There is very little time left," said Mr Josep Llop, Barcelona's director of planning services. "If the government

will be difficult. The hotels row has coincided with fierce criticism of a Ptas 25bn (£126m) extension to Barcelona's Prat Airport, which critics say lacks sufficient security arrangements.

tells us to look for other sites it

The new design, completed in the last seven months by Mr Peter Hodgkinson, a Britishborn architect living in Barcelona, nearly doubles the floor

"The critics are demonstra-"The critics are demonstra-bly wrong," says Mr Hodgkin-son, "and are mainly people angry they were not consulted about the project." The airport is being paid for by the central

100

government, which has just awarded the construction con-

The hotels issue is proving much more intractable, "It is not true we need that many new hotels," said Mr Miguel Roca, secretary general of the Convergencia i Unio (CiU), the party in power in the provin-cial government. "Barcelona does need hotels but it also needs libraries and public facilties. The Barcelona council is deliberately trying to give the impression, for its own purposes, that they are at war."

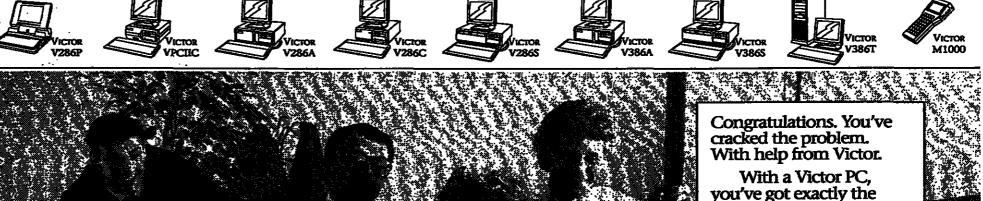
According to Mr Llop, the council has no intention of spending public money on new hotels, but simply wants to make the sites available to developers or hotel chains. "We have to offer the opportu-nity to build," he said, "though

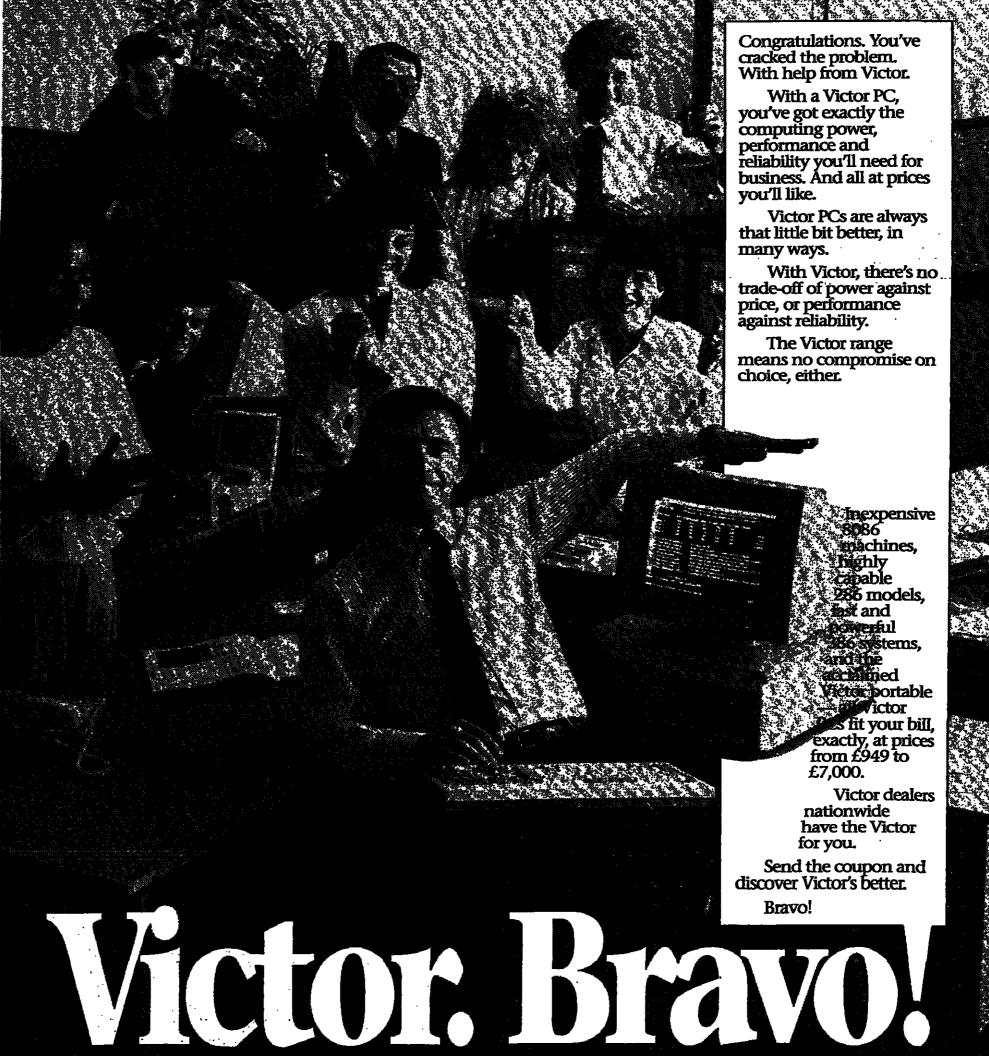
"If hig groups had to look for space on their own in Barce-lona they would not find it. Good pieces of land near roads or transport facilities just don't exist." The council says it has already been approached by a number of hotel chains inter-

Others are more sceptical. Mr Roca says Barcelona is not a weekend retreat for foreign-ers or Spaniards and that given a chance, even the city's own inhabitants head for the surrounding country or beaches at

"Serious hotel chains are going to think very carefully about coming to Barcelona," says Mr Hodgkinson.

If not enough hotels are built, the city council faces a built, the city council faces a major embarrassment when the games begin. Socialists in Barcelona believe the CIU is trying to make life as difficult as possible for the council ahead of local elections in 1991 in the hope they will win control of the city and be in place to host the Olympics themselves.





Iraq troops begin forcibly resettling 300,000 Kurds

IRAQ'S Baathist regime has this week begun a mass dis-placement and forcible resettle-ment of nearly 300,000 Kurds, according to usually reliable Kurdish exile sources.

Mr Massoud Barzani, leader of the Kurdistan Democratic Party, said the population of the town of Qale Diza, in the north-eastern province of Sulaimaniya, started a general strike to resist the deportation order when government troops entered the fown on Thursday. On the previous day, he said, the settlement of Twasora, comprising 1,985 families, had been forcibly evacuated.

Mr Barzani described the region as being "in a state of nsion", and expressed fears that the army would massacre the whole civilian population.
His statement, issued in the
name of the Iraqi Kurdistan front (a body representing all the Kurdish opposition groups), confirmed and updated a statement by the Patriotic Union of Kurdistan (PUK) - the movement with

most support in the area con-cerned. The new displacement programme involved "the destruction of the remaining rural district towns in Kurdis-

The wave of deportations is apparently part of a pro-gramme designed to prevent further Kurdish insurrections by thinning the population in the north-east and moving it to areas more susceptible to gov-

ernment control.

Mr Barzani said the affected people would "be interned in camps and towns located outside traditional Kurdish areas: in southern Iraq. The PUK statement said they had been given a choice of camps in Sulaimaniya and Arbii provinces (ie, within Kurdistan), but it believed this was only a

temporary measure. Both statements appealed to the international community to intervene. EC governments are expected next week to consider a report on the situation

Company

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Treasury gives assurances to stem fall in gilt prices

THE TREASURY yesterday moved swiftly to stem a fall in gilt-edged bond prices by deny-ing a Financial Times report that it was reconsidering the way it funds the public-sector borrowing requirement.

The Treasury said the Government had no plans to change its methods or techniques of funding the PSBR and said that the Chancellor had not commissioned a review of policy

of policy.
Yesterday's Financial Times reported that the Treasury was studying City suggestions that it should alter its existing policy of buying-in gilts only from holders other than banks and building societies. A conse-quence of such a change, which would mean that all gilt purchases by the Bank of England would go towards fin-ancing the PSBR, would be fewer purchases of gilts by the Bank in the market.
Officials had told the Finan-

cial Times that the Treasury was looking at funding policy

in light of the behaviour of banks and building societies that have been large sellers of gilts, but whose activities have made it difficult for the Bank to meet its target of fully funding the PSBR.
The officials also said the

Government was looking at the way local authorities finance themselves. The activities of the local authorities, which borrow from the Treasury, have led to a build-up of cash in the money market.
The officials had said, how-

ever, that no change in the Government's fundamental policy was being contemplated. Prices for long-dated, gilt-edged stocks have been supported all year by the Bank, which has been a steady buyer in pursuit of Government policy. This requires the Bank to buy gilts from the holders other than banks and building societies, in amounts equal to the Budget surplus and currency market intervention in

The Treasury's response to the report of an impending change to policy was greeted with some scepticism by the gilt market. Prices of long gilts fell % point in early trading, rallied briefly on the Treasury denial, then slipped further to close % point lower on the day, to give yields of around 10.25

Mr Michael Hughes, head of economics and strategy at Bar-clays de Zoete Wedd, said a lot of yesterday's fall in gilt prices had to do with the market not liking long-term interest rates being much lower than short-term interest rates. A suggestion that the Bank would no longer support the market fully was enough to provoke selling.

Mr Gavyn Davies, senior UK economist at Goldman Sachs,

said: "I think they may well change [the funding rule] but I do not think it matters much." He added that "the market does not know who is in

Over 150 hospitals interested in becoming self-governing

By Michael Cassell, Political Correspondent

MR Kenneth Clarke, the Health Secretary, will announce next week that well over 150 hospitals have expressed an interest in becoming self-governing under the Government's proposals for reforming the National Health

Service.

Mr Clarke is expected to use the total to demonstrate that, in spite of widespread criticism of the self-governing plan from within the medical profession and from other political parties, the idea is attracting con-siderable enthusiasm at local

The Government believes that hospitals that opt to take on direct responsibility for their own budgets will improve efficiency and patient

The claim is rejected by opponents of the plan who believe it will help to lead to a two-tier health service. Labour is planning to step up its attack on the plan to coincide with Mr Clarke's announce-

Bids by interested hospitals had to be lodged with the Department of Health earlier this week and Mr Clarke is known to be encouraged by the

It is understood that the hospitals involved are located throughout the country and range from small units to

Estate agents'

end gazumping

AN ESTATE agents' plan

aimed at ending gazumping and smoothing the path for home buyers has been sent to

the Lord Chancellor, it would involve buyers and sellers sign-

ing an agreement, which would become legally binding after

five days.

Mr Anthony Clark, general
secretary of the National Asso-

ciation of Estate Agents, said the conditional agreement

would minimise delay, gazumping and all the other

ills prevalent in an adversarial

System especially uncertainty.
Outlining the scheme to

estate agents at their annual conference in London, he said:

to stem the carping criticism of

estate agents and solicitors in

those cases where the parties wish to have comparative cer-

plan seeks to



Kenneth Clarke: encouraged by response

large, acute hospitals. They will be named on Wednesday. Mr Clarke has already made clear, however, that a signifi-cant number of those hospitals will not be regarded as appro-priate candidates for becoming self-governing. Some threatened with closure, for example, are believed to have applied in an attempt to remain opera-

Detailed discussions will now begin between the hospitals and the Health Department. The department believes that, after the successful pas-sage of the necessary legislation, April 1991 will be the first practicable date for any hospi-

tal to become self-governing. Those hospitals taking on self-governing status will become NHS hospital trusts and will be run by boards of directors. They will have a range of powers not available to existing NHS health authori-ties and hospitals — such as negotiating the price of services and powers to borrow, subject to annual financing

Mr David Mellor, the Health Minister, yesterday announced the allocation of £1m to finance as pilot projects enabling doc-tors to develop medical audit systems with the aim of improving patient services.

Doctors interested in taking part in the audit, which also forms an integral part of the proposed NHS reforms, had to submit proposals to a medical advisory panel under an initia-tive linked to the Govern-

ment's NHS white paper.
The document spells out the
Government's intention to work with the medical profession to establish a system of medical audit in general prac-

The plan is to audit locally, on a basis of peer review and on self-audit by general practitioners and practices. Family practitioner committees will be expected to set up a small unit of doctors to support and moni-tor medical audit procedures.

AN EXTRA 11bn needs to be spent on new roads to relieve congestion in the south of England, the Confederation of British Industry said yester-

region, it said traffic conges-tion was costing companies millions of pounds and putting businesses at a competitive dis-

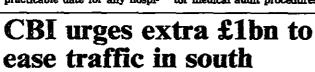
advantage. British Telecom's Thamesway division reported additional costs of £2m, Unipart in Oxford £500,000, and Black and Decker in Slough £1.26m. Nationwide, congestion cost

The CBI said the Govern-ment should embark on an ambitious programme of road improvements and building. Suggested schemes included a Home Counties orbital ring

A further £1bn on the £12bn planned spending on improve-ments to roads between cities outlined in the roads white paper, was essential if British businesses were to thrive after the creation of the single European market in 1992 and the opening of the Channel tunnel

All the schemes proposed in the roads white paper should be speeded up so that the south - an important centre of wealth creation - was not choked by traffic chaos. Planso that improvements could be in place before the next millennium, orbusiness would be lost

to France.
Mr John Robertson, chairman of the CBI southern region working party, said: "There was serious concern among businessmen that the transport system was inadequate and makes a very poor



strengthened to take heavier

ning delays should be reduced.

comparison with Europe."

Roads to Growth: A Competi tive Transport System for Southern England in the 1990s.

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By James Buxton, Scottish Correspondent

PEOPLE in the Highlands and Islands of Scotland are to get an all-digital telecommunications network by 1992, considerably sooner than many other parts of Britain and several years earlier than had previously been intended, thanks in part to a government grant of

The aim is not just to help businesses to develop in remote areas, but to make it possible for people attracted to the area by its scenery and interested to the area by its scenery and lifestyle to perform sophisti-cated work from home - a practice known as telecom

muting. Sir Robert Cowan, chairman of the Highlands and Islands Development Board, which is disbursing the grant, said yes-terday: "Without doubt this is the most important single investment we have made in the economic future of the Highlands and Islands."

The improvements will give the northern part of Scotland a telecommunications system as

sophisticated as that of a leading European city.
Under the project, the total cost of which is £16.25m, BT will make 43 larger telephone exchanges digital and install smaller digital exchanges in more than 200 other sites. It will make the telecommunica-tions networks digital either through radio or optical-fibre

Between the larger exchanges it will also install an integrated services digital network, which allows speech, data, video and still images to be passed over telephone lines at high speed without the need for a modem (the device normally used to connect a com-puter to the telephone system). BT is also to make access to its public data network available in the Highlands and Islands for the cost of a local call, instead of customers having to pay for long-distance calls to packet-switching

A BT spokesman said yester-day that without the govern-ment grant the improvements to the area's telecommunications system would not have been completed before the end

The decision to install the system, which has been developed by BT in association with the HIDB, follows recommendations of a 1986 report com-missioned by the HIDB and Oftel, the Government's telecommunications watchdog, which concluded that it was essential for the development of the area that data transmission, home banking, home shopping and other services me available as soon as

Seven held over bank inquiry

SEVEN men have been arrested by police investiga-ting an attempted 251m fraud on the Hill Samuel merchant bank in the City.

Two of the men have been held since Tuursday in Manchester and another five in the City of London by detectives from the City of London company frand department, backed by regional crime squad officers.



Members of the Rose Theatre Campaign maintain their vigil at the historic site of the Elizabethan theatre

Two cheers only for latest Rose plan

By Paul Cheeseright, Property Correspondent

IMRY Merchant Developers' plans to preserve and display the remains of the Shakespearean Rose Theatre yesterday won official support but failed to allay fears of the mixed group of actors, politicians and scholars who have formed the Rose Theatre Campaign.

The office building intended for the site has been rede-

signed so that the theatre remains will be in a hall and visible from three sides.

Beams will be placed on piles situated outside the theatre boundary and girders, weighing 650 tonnes, will sup-port a 10-storey office building 22 ft above the remains. The Rose Theatre remains were discovered last March by

were discovered last march by archaeologists during a survey of the site before the development of a new office complex by Imry and funded by Postel. the investment managers of the Post Office and British Telecom pension funds. The discovery set off a vigor-ous campaign to make certain that the remains, on the south

side of the Thames close to Southwark Bridge, would be preserved and made accessible to the public.

After the full significance of

pers have run high. Petitions have circulated. The old argu-ments about commercial development taking priority over maintenance of the heritage have been rehearsed again. The Government has been interested enough to put up

been in attendance

the archaeological find - one of four Elizabethan theatres in

the Southwark district - was

appreciated, there was never

any danger that the theatre remains would be destroyed. The question was how they would be preserved. A vigil has been kept at the

site Luminaries of the theatre, including Dame Peggy Ash-croft and James Fox, have

blossomed with vague plans to obtain control of the site. Tem-

The Rose Theatre Campaign

£1m to finance a delay in the planned construction of Imry's office block, but has remained distant. In effect, it told the interested parties to work out a solution that would meet the diverse wishes of Imry and the

Imry's redesign is the pre-ferred official solution. It meets the main objectives of preserv-ing and displaying the remains in a manner which English Heritage, national guardian of listed buildings and monu-ments, thinks is adequate. Mrs Virginia Bottomley, the

junior Environment Minister, congratulated everybody. Southwark Council sees it as the best compromise available. Theoretically, the council could have withdrawn the planning consent but that

would have meant compensation for Imry and Postel. As Southwark does not have that sort of money, that option was Imry said that the cost of the

redesign, including a new base for the building and the change in the pattern of the floors above, would be about £10m. That brings the total cost of the office development to around £70m, of which £20m was spent on the site in the first place.

But the Rose Theatre Cam-paign, formally launched three hours after the Imry designs were made public, is not satisf-

It has technical worries that some of the piles might not be outside the theatre boundary. On a broader level, it still wants the whole site used in a celebration of Shakespeare, with a gallery for the Rose remains, a cinema and exhibi-tion rooms, and has produced

its own designs.

Officially, the Rose remains have no status. They are in the control of Imry, which, legally, can do what it likes with them. The remains have not been

scheduled as an ancient monu-ment, which would mean that English Heritage would have to give permission for any works that affected them. The first priority of the cam-paign is to get the monument scheduled and Theodore Goddard, its lawyers, has written to Mrs Bottomley to that effect.

But Mr Martin Myers, the Imry chief executive, warned that scheduling the site would involve the Government with compensation of £100m.
The Rose Theatre Campaign now has a tough, if not impossible, task. The remains are being preserved and displayed in a way that satisfies English

Heritage, and that robs the campaign of at least part of its The campaign wants control over a site which the owner does not want to sell and which it does not have the

Failure of Mappa Mundi offer blamed on apathy of companies

By Clare Pearson

WIDESPREAD apathy among British companies was blamed yesterday for the collapse of an innovative attempt to save the Mappa Mundi, the medieval art treasure, for funds-starved Herlic issue of shares.

By yesterday afternoon, the final close of the offer, just £1m worth of applications, against the minimum £2.8m required, had been received. Mr John East of Guidehouse Securities, the issuing house

which sponsored the offer, said: "We contacted 990 City institutions and all the big UK companies which support these kind of causes, and the silence was overwhelming. It is extremely sad."

However, the map could still be saved from going under the auctioneer's hammer to cover much-needed funds for restorations · so long as the one thousand or so people who have applied for shares in Mappa Mundi plc, the issuing vehicle, can be persuaded to make an

equivalent donation instead. The dean is expected to announce on Monday that all the applicants will be asked to contribute the £1,000 value of the shares anyway, on the basis that if a significant majority do so the map will not

The chapter is likely to be hoping that, if it gets a good response to this, it will be able response to this, it will be able to reopen negotiations with the National Heritage Memorial Fund, whose earlier offer of about £2m, supported by £1m from Mr John Paul Getty, the philanthropist, was rejected on the grounds of the onerous conditions attached.

conditions attached. Yesterday a spokeswoman for National Heritage said: "We shall be glad to listen to what they have to say if they get back to us.

Although all the City advisers concerned gave their services free. Hereford will be left with a bill of around £30,000 for the costs of the offer, which under companies law could not

be extended beyond yesterday.

The decision to launch the offer was made after a last-ditch plan to sell the 13th century map at Sotheby's, the auction house, met with public outcry. Investors were offered, as share certificates, half-sized facsimiles of the map signed by the bisbop and dean.

Investors deciding to make donation instead will still receive their facsimiles, although they will forfeit the hope of future dividend pay-ments through exploitation of the exclusive marketing rights to the map which would have been enjoyed by Mappa Mundi

It is feared the euphoric press comments made when the offer was launched in April may, paradoxically, have spoiled its chances of success through creating the impression the map was already saved. Most of the applicants were private individuals in the UK but there was some Euro-pean interest, Mr East said.

Job losses in shoe industry continue

By Alice Rawsthorn

money to buy.

THE TOLL of job losses and factory closures in the foot-wear industry is continuing after more than a year of intense pressure from imports and sluggish consumer spend-

The latest figures from the British Footwear Manufacturers Federation show that the industry's output fell to £85.3m in March, representing a fall of 5 per cent compared with the same month last year.

Similarly, the level of orders received by British manufacturers during the month was 34.5 per cent lower, at £64.6m, reflecting the dull state of shoe sales in the early spring. The main cause of the £950m

industry's problems — the strength of sterling, which made it easier for imports to enter the British footwear market - has been alleviated by the recent fall of the pound against the US dollar.

However, it will take time before the industry benefits

Pension industry hits ceiling over Lawson

Eric Short on why a limit on allowable earnings is causing anger

A MONG all the slings and arrows hurled this week at Mr Nigel Law-son, the Chancellor of the Exchequer, was one from the National Association of Pention of occupational pension

However, its thunderbolt in the form of a pamphlet was not about interest rates, but on the Finance Bill proposals to impose a £50,000 cap on earnings in assessing pension benefits qualifying for tax relief. Nevertheless, the language in the pamphlet matched anything the other critics were

hurling at the Government. Phrases such as "the public interest demands that the facts should be known" and "if the Government proceeds with the Chancellor's proposal in its present form, the implications for our parliamentary democracy will be horrendous indeed," sound very much like an attack from a rabid leftwing politician rather than the staid NAPF.

It is not unknown for the UK pensions industry to be at odds with the Government, whether it be Conservative or Labour. But these disputes have been conducted with dignity and decorum, even when the industry has failed to achieve any significant concession. What has happened this time?

The cause of the dispute. while important, does not appear to be a matter of life and death for occupational

ension schemes. The Chancellor, in his Budget speech, announced that he was removing all benefit restrictions on pensions so that employers could pay whatever pensions they wished to their

employees.

But, at the same time, he announced he was setting a limit on the pensions which could be paid from tax-approved occupational schemes by imposing a £60,000 ceiling on earnings on which tax-ap-proved pensions would be He argued that while it was

right that employers should be free to provide whatever pension they saw fit, it was not right to make the current gen-erous tax treatment open-ended. Mr Lawson went on to say that he had deliberately fixed the ceiling at a level that would leave the majority of

employees unaffected and that it would be subject to annual uprating in line with inflation. The NAPF does not dispute Mr Lawson's statement as applying to existing employees, though consultants are reporting considerable concern from employers worried about its effect on the recruitment of top executives. So, on its face value, the imposition of the ceiling looks like a minor adjustment to prevent high earners having their pensions subsidised by the general body of taxpayers.

As such, the association and

others cannot object to the imposition of a ceiling. It is the revaluation basis that is the revaluation basis that is the root of the issue.

The pension industry includes a lot of actuaries who understand compound interest, know the difference between

earnings growth and price inflation and tend to look well into the future.
As such they regard the ceiling as a slow-acting poison pill, coated with the sugar of unlim-

coated with the sugar of unifinited pensions.

Over the past 25 years, earnings have risen, on average, by 25 per cent a year more than prices. If this differential continues into the future, then each year the value of the cell-pur relation to the community relation to the continues in the continues in the continues. ing relative to the general level of earnings will drop so that more and more employees are affected.

In time, if the new system is

not amended, it will not be just the top earners who are affected by the celling. Actuaries using their com-pound interest techniques estimate that in 30 years' times, 40 per cent of employees at that time will have their pension expectations restricted by the

ceiling. The association, as well as other sectors of the pensions industry, including the CBL has tried to spell out that con-sequence to the Treasury and has called for the ceiling to be revalued in line with average earnings, not prices. After all, the pension entitlements in the State Earnings-Related Pension

Scheme are uprated annually in line with average earnings according to statutory require-

However, these protests have achieved nothing.
The reply from Mr Norman Lamont, Financial Secretary to the Treasury, shows that this differential and its effect is

But Mr Lemont points out that price revaluation is the form of indexation used in the tax system. His letter specifically refers to tex thresholds being indexed in line with prices, although he fails to refer to the fact that the logical index for tax thresholds would

be earnings.

Previously at this point the pensions industry would accept the inevitable and settle down to adjusting to the new Instead, the NAPF has

attacked the very integrity of the Government. Mr Lawson in his 1985 Budget speech pledged not to make any fundamental changes in the pension tax regime without prior consultation and a green

Seasoned campaigners with Treasury ministers, such as the CBI, treated this statement as they treat most other ministerial pledges - with scepti-

cism. However, rather naively, the pensions industry in general and the association in particular has taken this statement at

The pamphlet accuses the Government and Mr Lawson of breaking faith and rebuts claims that this is not a fundamental change in the tax

the pensions industry is far more fearful of this present Thatcherite Government than it ever was of any Labour gov-It has a strong and deep-rooted fear that the views of the right-wing advisers to the Government are prevailing

But, more fundamentally.

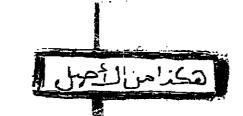
and that the long-term objec-tive is to destroy the whole concept of collective pension provision occupation in favour of private pension provision.

That suspicion can only be removed if the ceiling is revalued in line with earnings. Some sectors of the pensions industry, while supporting the

protest, question the timing of the publication of this pamphlet.
The CBI is due to meet the Inland Revenue next week to discuss the Finance Bill provisions, and pension changes would be prominent in the CBI's submission.

The hard-hitting attack by the NAPF in its pamphlet could well harden the Government's attitude towards making any concessions to the Finance Bill proposals.

Truth, Honour and Democracy - The Finance Bill 1989. National Association of Pension Funds, 12-18 Grosvenor Gordens, London SWIW ODH. 75p.



UK NEWS

Property's Mr Fixit changes tack

Paul Cheeseright on why a top deal-maker is becoming a developer

HE PHONE rang in the Belgravia home of Paul Bloomfield at about 11pm last Thursday. On the line was an acquaintance whose business was under

Mr Bloomfield started phoning round. By yesterday morning he had put together the main elements of an \$800m (£508m) deal buying the whole business, selling on two divi-sions for \$700m and arranging to keep the property assets himself

Mr Bloomfield is a fixer. A wheeler-dealer. "I take two and two and try and make six." he

He is the best known dealer in the property industry. But now he has stepped out of the shade favoured by the middle-

man and become a principal.

He has become the joint owner of the Alton Towers theme park in Staffordshire and the leisure venture planned for the art deco Battersea power station on the south side of the Thames in central Loudon. He has joined forces with Mr David Broome in a new company called Alton International.
He will not say how much he

paid but it was certainly more than £50m. That was his own money, or money he borrowed. It was nothing yet to do with Benlox Holdings, the quoted company now transformed-from the one that made a cheeky bid for Storehouse and in which he is the biggest single shareholder. But then, he is

"Seriously wealthy is £250m plus. We are not that rich. Comfortable, though." Like Mrs Thatcher, Mr Bloomfield often uses we when he means I. "Must stop using that expres-

sion," he says.

The style and the manner of the man are less than regal.
Tie pulled down, top button
open, jacket off. Always on the
phone. "Yes, darling ... Say
a hundred, Simon ... No, not hundred and ten. Just that. Makes life easier . . ."
His business is in his head.

The source of it in half a dozen address books. For a dealer. contacts are everything. Contacts compound. "Success breeds success," noted a Bloomfield-watcher in the City.

"If you're known to do deals, people bring you deals." But he works at it, with seven o'clock starts most ends up as a working week-end," he says.

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Paul Bloomfield: "I take two and two and try and make six. I see something in a deal that other people don't see." don restaurants like Scotts and was knowing where the likely sellers and buyers were.

The most famous sequence of Bloomfield-orchestrated

deals saw Mountleigh buying

Paternoster Square, next to St Paul's Cathedral in the City of

London, selling it on to Organización Diego Cisneros of Venezuela, and then ODC selling

Mr Bloomfield is not a City

man although he recognises that he is going to have much more to do with the City now.

'I do feel when I walk into a

To be sure, there are dark

comments in the City air about

it not being quite right that a bankrupt is a millionaire and here one enters a world where fact and fable mingle.

One fact is that Mr Bloom-

field became bankrupt 20 years

ago when he was 23. A second

is that the bankruptcy was

room, people are a bit wary,

the Connaught Hotel, but adds: I can't remember the last time went out for a social meal." Although the property dealing in a serious way goes back to the late 1970s, Mr Bloomfield is best known for his links with Mountleigh, the property company, set up by Mr Tony Clegg, which thrilled the stock market before the October 1987

Mr Clegg was buying and selling increasingly large pack-ages of property. Profits scared, Mountleigh could do no wrong until the market wanted more than could be delivered and became much keener on companies that retained their assets rather than sold them

Mr Bloomfield brought the property to Mountleigh. Mountleigh had the cheque book. "Tony gave me the freedom to do the deals," he says. "I found the deals and Tony's organisa-

tion sorted it all out."
But the deals also had to be unwound. "We know where we're going with the real nd," he says.

He is fond of expensive Long tracks to buy it." The secret

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annulled last year.
All of that stems from a row with the Inland Revenue about tax payments. Mr Bloomfield acknowledges a youthful negli-gence. "Maybe I haven't been the most efficient person. I didn't believe I owed them any money. And that's been proved because I've got an annul-

By Charles Leadbeater,

YOUNG workers at Traveller:

Fare, the railway station fast

youth pay to ease recruitment pressures in the light of the

decline in the number of

young people entering the labour market.

labour market.
In March, J Sainsbury, the food retailer, awarded rises of up to 40 per cent to 16 and 17-year-old workers, following a 22 per cent award to young workers at Takasa in Takasa.

workers at Tesco in February. The moves will increase

pressure on other employers to follow suit.

deal which scraps the com-pany's age-related payment

pany's age-related payment system and moves young workers onto a single adult rate, about 260 of the company's 2,700 weekly paid staff will get rises of between 22 per cent and 25 per cent. About 650 staff will get rises of between 12.6 and 13.6 per cent. However, adult staff will get rises ranging between 6.5 per cent for white-collar supervisors and 5 per cent for hourly paid workers. The settlements

sors and 5 per cent for hourly paid workers. The settlements — agreed by the TSSA white collar rail union, and the National Union of Hotel and Catering Employees, which is part of the National Union of Railwaymen — are below the 7 per cent imposed on rail unions by British Rail.

The company said the over-

The company said the over-all cost of the increases was

between 10.5 per cent and 12 per cent, including other changes to conditions of ser-

Travellers Fare, which used to be part of the British Rail was privatised last December.

The company said it believed the unions had agreed to rises below the inflation

rate because a performance related pay scheme, recently introduced would deliver rises

introduced would denver rises averaging 3.5 per cent on July 1. The performance related pay scheme will give individuals rises in addition to the collective negotiated increase ranging between zero and 10 per cent. Thus some young

staff could receive rises of

more than 35 per cent this

At Travellers Fare, under a

Labour Editor

The annulment enabled Mr Bloomfield to become a princi-pal as well as a middleman and now he makes his money in partnerships, by taking a direct stake in deals, rather than just taking a slice in the

This world is far from that of the fund manager with his equities and securities, and Mr Bloomfield responds to the sug-gestion that he sails close to the wind by arguing, in effect, that he is misunderstood. That is, outsiders cannot recognise the reasons behind a deal. "I see something in a deal

that other people don't see. I've never been the meanest buyer in the world or the most difficult person as a seller," he

There are plenty of property people who acknowledge his skill in the recent bull market, but wonder whether he can carry on if the market turns down. Mr Bloomfield brushes that off. "Selling in a bad market? You just adjust the

But he is now starting off a different life as a landlord and property developer. This will demand different qualities.

He is confident be has the
Battersea angles worked out. There will be an entertainment park there, as Mr Broome has planned all along. But there is

going to be much more commercial property development as well, swinging the financial balance away from lessure. How the planning authori-ties will view that remains to

the property on again.

The City has watched all this happening with a mixture of respect for the manipulating skill that massages the deals into place and suspicion that there is something wrong somewhere. be seen.
Benlox will become involved at Alton Towers, building a holiday village. A small indus-trial and property holding com-pany is having a leisure arm tacked on to it.

Its first important British property deal has been the purchase of the old Hoover factory, in London's western suburbs, for £18m from none other than Mountleigh. By the autumn it will have

announced more takeovers - of industrial companies with property assets that can be stripped out, providing Mr Bloomfield with a development

EMPLOYMENT

Travellers PLA move seen as breach Fare young of Dock Labour Scheme workers win pay rises

By Jimmy Burns, Labour Staff

BRITAIN'S biggest port employer, the Port of London Authority, has announced that it is no longer prepared to act as an employer of last resort for dockers made redundant in face, the railway station last food company, are to get pay rises of up to 25 per cent under a pay deal designed to help the company recruit young people. The deal follows a similar move by retailers to improve the area.

The Authority indicated last night that the decision had been taken for financial reasons. However, the move is likely to be viewed by the TGWU transport union as a eliberate breach of the Dock Labour Scheme, the abolition of which has yet to receive

royal assent. Local shop stewards are believed to be planning a mass meeting next Tuesday in what could lead to an outbreak of unofficial strike action. Under the 1972 Aldington-Jones agreement reached

between employers and the TGWU, port authorities are expected to retain, on at least

workers for whom there is no

They are also expected to accept additional workers who have been made redundant as a result of a company going out of business, and who have allocated to them by the local Dock Labour board.

The arrangement is not viewed as statutory by employers. However, the TGWU regards it as inseparable from the Dock Labour Scheme. Yesterday's move means

Yesterday's move means that dockers who lose their jobs in the London area over the few weeks leading to the abolition of the Dock Labour Scheme will be put on the Temporary Unattached Register (TUR) as a residual pool of casual unregistered labour.

Dockers' leaders have always

Dockers' leaders have always argued that the TUR should

basic pay, any registered dock not be used except for the strict purposes of the Dock Labour Scheme. These are defined as a temporary holding of men pending re-allocation to another employer or determi-nation of a disciplinary case.

Last night, port employers were indicating that they were in no mood to compromise and would use the Port of London Authority as a clear signal to the TGWU that they were no longer prepared to put up with the inflexibility associated with the Dock Labour Scheme. The move has put the leader-ship of the TGWU in a difficult position since it has given a public undertaking that there will be no strike action until the end of current legal proceedings.

The final judgment in a court of appeal hearing, which began this week, is not expected until Tuesday.

Complex laws 'threaten employees' shares plan'

TECHNICAL OVERKILL by the Inland Revenue is threat-ening government plans to increase the number of people who own shares in the company for which they work, according to a tax law com-

pany.
Clifford Chance says the
Revenue's approach to drafting
of legislation on Employee Share Ownership Plans (Esops) contrasts sharply with that of the Department of Trade and

The company says that the DTI recently tabled a "far reaching" amendment on Esops in the Companies Bill which was encapsulated in a

single paragraph.

By contrast, legislation drafted by the Inland Revenue for the Finance Bill runs into "12 pages of technical legisla-tion. Most of it is concerned with tax penalties which will

put people off."
The company says the draft legislation could lead to a double tax charge on shares passed by companies to their

employees. Clifford Chance also says the legislation would exclude workers employed in the UK by foreign corporations or their UK subsidiaries. Mr David Reid, tax partner at Clifford Chance, said that

amendments were essential before the bill was passed because the proposed new rules would be unattractive to many companies. "Having given its support to wider employee share ownership, the Government is in danger of

undermining its own policy."
Although Esops are common in the US, where nearly 9,800 operate, there are only about a dozen in the UK. In the last Budget, however, Mr Nigel Lawson, Chancellor, announced plans to encourage their growth through tax

The fine detail of the legislation still has to be sorted out in the Finance Bill.

In an Esop scheme, a trust is set up to buy shares in a com-pany for future distribution to employees.

Marked change in causes of labour disputes By Charles Leadbeater

THE CAUSES of industrial disputes have changed mark-edly in the 1980s according to figures compiled by the Department of Employment, which show a dramatic increase in the number of disputes over manning levels and working practices.

The statistics confirm that disputes over the restructuring of working arrangements are playing a much more promi-nent role in industrial relations than they did at the beginning of the 1980s. The figues show there were

238 disputes over pay and wage rates involving 219,100 workers in the 12 months to February 1989. These disputes were responsible for the loss of 585,000 working days. There were 186 disputes over manning and work allocation,

involving 181,200 workers at a cost of 1,225,000 days lost. Combined with 84 disputes over working conditions and supervision, this means that disputes over working arrange-ments accounted for about 40

per cent of all disputes. By contrast, figures for the early and mid 1980s show that disputes over working prac-tices accounted for at most 10 per cent of all disputes.

Of the 57 disputes which began in February 1985 only 13 were over manning, work allocation, working conditions and supervision, compared with 31

over pay.
Only 14 of the 93 disputes which began during February of 1980 were over working

working practices and arrange ments to displace purely pay disputes as the most imports: cause of unrest, reflects both employers continuing drive for more flexible working prac-

Shorter day 'could lift school standards'

STANDARDS IN British schools might rise if they were to adopt a shorter "continental" day coupled with a fourterm year, the annual conference of the National Association of Head Teachers was told

Delegates to the conference of the 30,000-strong association, meeting in Llandudno, described the benefits of moving away from the traditional 9am-4pm school day, as they agreed to investigate the advantages of alternative

school days.
The Government last month issued a circular arguing that many schools would have to increase their hours to cope with the new national curricu-lum. It called for a minimum teaching week of 25 hours for

pupils aged 14-16. However, Mr Graham Locke, head of Audenshaw High School Greater Manchester. told delegates he had introduced a continental day two years ago, with pupils finishing lessons at 2.35pm. Audenshaw will be one of the first schools to opt out of local authority control from September. Mr Locke said discipline dur-

ing the lunch hour improved greatly under the continental "There is no doubt the quality of learning is dramatically improved". It would give pupils more time with teachers, Mr

Locke said. "If you took that time and recycled it you would get an average of more than 25 hours a week." Mr Kenneth Baker, Educa-

mr kenneth saker, kudca-tion Secretary, later told the conference that the role of head teachers would be strengthened by the Govern-ment's education reforms. He told assembled head

teachers that delegating deci-sion-making to schools was intended to give "you more freedom to move resources according to your priorities."

Mr Baker added that the national curriculum, which will be phased into schools from September, would allow heads to raise standards by

helping them to plan the step-by-step progression of pupils through schools. The Education Secretary acknowledged a gradual improvement in standards over the last two decades, but criticised the improvement as "slow and uneven" and slower than that in Britain's main industrial competitions.

trial competitors.

Mr Baker also hinted that head teachers would be given separate treatment within the new arrangements for teachers' pay bargaining that ministers are considering. Sepa-rately yesterday, he restated the Government's determina-tion to increase the number of teachers receiving incentive

year. To claw back some of the cost of the deal to increase youth wages, the company has changed sick pay and overtime arrangements. Employees will have to be off work sick for three days before the company starts making a contribution to sick new vather than the our resolving their long run-ning pay dispute. There were reports, however, that enough progress had been made to enable both sides to

starts making a contribution to sick pay, rather than the one day which used to apply. Staff working in bars will only be paid overtime if they work a shift after 10pm which extends beyond midnight. The company said that would sub-stantially improve the viabil-ity of some of its station bars which had suffered from high overtime payments.

Progress over BBC pay By Our Labour Staff

THE BBC and broadcasting unions yesterday completed two days of talks with Acas, the conciliation service, with-out resolving their long run-

continue the talks next week. Union of Journalists, the Broadcasting and Entertainment Trades Alliance and the Association of Cinemato-graphic, Television and Allied Technicians — had been threatening more action.

increase of 16 per cent, agains the BBC's imposed offer of 7 per cent. Many staff believe this could be the last chance for some time to narrow the pay gap which has grown in recent years between the BBC and the independent sector.
This week's talks were the first initiative to end the dis- arrangements, compared with pute after talks broke down a

month ago.

• Union leaders representing Britain's 19,000 ambulance workers are to meet on Tues-day to decide their next move following rejection by their members of a 6.5 per cent pay

42 over pay. The growth of disputes over

Resisting the stamp of authority

Charles Leadbeater and Michael Smith on the passport dispute

ARIO SOZZI, a 27year-old civil servant reckons the main priority of the London passport office where he works should be to cut queues. Instead, he says, the opposite is happening because "we are having to sort out the problems created by

The management erred first, he says, by introducing a com-puter system in other offices which lengthened passport processing throughout the country. Then it compounded the problem by failing to listen to union demands on staffing levels. The result, says Mr Sozzi, is that he and and fellow cierical workers in passport offices are having to bear the brunt of public dissatisfaction.

Yesterday Mr Sozzi, who works at the Petty France office in central London, was among hundreds of passport office workers throughout Britain who staged a one-day protest strike in support of col-leagues in Liverpool who started an indefinite stoppage

on Tuesday.
Staffing has not increased to take account of a steady increase in demand. The numher of permanent staff has remained close to 900 since 1985, while demand has risen from 2.04m last year to more about 2.75m this year. In addition the Passport

Office has been poorly man-aged, according to a National Audit Office report published earlier this week. It shows that the office does increase overtime and causal staff, but generally in reaction to the March peak in applications rather than to prevent it.

Office has not risen in recent years. About 150 passports were issued per staff month in 1985-86, rising to 161 the following year and dropping to 151 last year, but productivity falls when an increase is needed



Pickets on duty outside Peterborough Passport Office

most. As backlogs of work Office has offered an increase build up so staff are distracted from processing applications by dealing with more tele-phone inquiries and personal applications from desperate

travellers, the report says.

The position has been further complicated by the introduction of a £7m computerisation programme to bring in European standard passports, in which personal details are printed in a computer-readable

The unions claim this has further, lowered efficiency because staff have been taken away for training without being replaced, and the computer frequently breaks down. In the long run, prospects for delays to delivery of passports depend on improved management manpower planning and an increase in staffing.

The Passport Office last year produced its first ever operat-ing plan. But according to the NAO report the plan makes no specific recommendations on how higher performance tar-gets will be met.

The long running talks on the staffing crisis resume on Wednesday, with the unions seeking a 381 increase in the 930 permanent staff. The Home of 158, more casual staff and an independent review of staffing requirements.

According to the Home Office worried travellers should not despair. Applications already in the system should be processed by the travel date stipulated on the application form. The Home Office has agreed that it will refund the cost of buying a £7.50 British Visitors Passport from a Post Office, if people can prove their passport has been delayed and their travel plans threatened by the strike. Those who have not yet

applied could get a BVP which will cover 26 countries for a year. These include Austria, Greece, Italy, Portugal, Spain, Turkey, West Germany and People covered by the Liver-

pool office, which handles applications from throughout the north of England, should send their applications to another office. The only other option is to

use one of the companies which specialise in getting passports processed quickly. They have agency agreements with the Home Office which allow them to bypass the public queues and go through a office in Petty France.

Although the Passport Office says its minimum processing time is 72 hours, Mr David vices said: "We can get business applications done in anything from 24 hours to three days. But they have to have proof of imminent travel dates and a business letter."

Mr Chris Hammonds, of Visaservices, which makes two trips a day to deliver and collect in bulk, says it is helped by simply being able to use direct lines to chivvy along the office. The company, which charges £5 an application for regular customers, fills out the applications so they are clearly tagged" with a date by which they should be processed.

Mr Smith says: "The offices

are completely understaffed, they need at least 100 more and if the strike sorts it out then everyone should be grateful."
Mr Sozzi is fed up with what
he considers to be the understandable resentment of the public. "We often have to deal with people who have been queueing for three to four hours. Sometimes we have to tell them we cannot help them because they do not have the correct documentation. Obviously they are going to feel angry – especially if it means they will miss their holidays." Not everyone around Petty France was gloomy yesterday. Although the service was

reduced, far fewer members of the public turned up than normal and so queues were cut considerably. Mr Darren Westbrook, 20, had to wait only 15 minutes for attention, whereas on Wednesday he had queued for four and a half hours without success.

Receipt of the passport removes the uncertainty surrounding a six-week trip to the

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CBI head urges business to back training councils By Hazel Duffy

SIR Trevor Holdsworth, president of the Confederation of British Industry, yesterday urged business to help with the formation of the Training and Enterprise Councils that are

being set up.
The CBI has criticised aspects of government policy on the councils, which will organise training on a local basis in some areas of the

country. CRI members have expressed concern that unless there is careful co-ordination between business organisations, rivalries and confusion would detract from the quality of the

Sir Trevor told CBI Southern

Region members yesterday: "It is more important to obtain the

support and participation of

councils.

the key business decision makers in each area than to worry about whether they wear a CBI or a chamber of commerce hat. "It is also more important to ensure the right quality of board members and chairmen than to meet any particular deadline date."

Business people must be in the majority on the new coun-cils, as individuals, not as the CBI or chambers of commerce. However, business organisa-tions can form part of the consortium bidding for council status and government funds.

Productivity at the Passport Sir Trevor said: "The onus is now placed on us as employers to lead the major training effort which will be essential if we are to address the technological and demographic trends

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A benign scenario

IS IT POSSIBLE that the world's stock markets have got it all wrong? Here, after all, is Wall Street within striking dis-tance of its pre-crash peak; other equity markets are well up on their levels at the start of the year. Yet there are clear signs of overheating in the global economy.

Oil prices are up more than a tenth on their level of a year ago. In the US, which many expect to slow down sooner than West Germany and Japan, wages are marching firmly upwards. In the rest of the world monetary expansion has contributed to an impressive boom. In some cases, most notably Britain, that has led to excess demand and growing trade deficits. Equally disturbing has been the recent tenncy of currencies to lurch in directions that exacerbate trade imbalances and cause despair in central banking par-

The response to all this has been a tightening of monetary policy across the world. This week Japan followed West Germany and the UK with a rise in interest rates designed to damp down growing inflation-ary pressure. Yet bond investors appear as unbothered about it all as their counterparts in the equity markets. This is especially true in the US, where the optimism is reflected in an inverse vield curve; that is long bonds are yielding lower returns than short-dated securities. Investors are, it seems, once again content to leave the task of imposing financial discipline on the US economy to the Fed-

Paradoxical movements

Stock markets are by no means infallible. But even when they are wrong, their more paradoxical movements are usually telling us something interesting. And in this case it is worth noting several inflationary dogs that are ref-using to bark. Commodity prices have been relatively eak since the dollar's recent surge through the target levels agreed by the Group of Seven at the Louvre Accord in 1987; and the gold price, which usually soars on expectations of higher inflation and currency turmoil, is in the doldrums. As for oil, it has indeed bounced off the bottom. But with the huge increase in non-Upe energy sources, no one expects an early return to the inflationary shortages of the 1970s.

That other great engine of inflation, public spending, is also succumbing to more pru-dent management. Mr Gorbachev's revelations this week about the true size of Soviet military expenditure, with Mr Bush's successful diplomacy

within Nato on reducing short range nuclear weapons. together pave the way not only for a momentous step towards peace and stability, but for a less wasteful use of economic

Unified market

The world economy in the 1980s has also acquired some new disinflationary stabilisers as a result of increasing inte-gration and interdependence. gration and interdependence.

Excess demand in one country no longer leads instantly to inflationary bottlenecks because it can be satisfied from excess capacity in the rest of the world. And in this unified global market a rich vein of them. cheap labour in newly industrialising economies exerts a gravitational pull on wages in the developed world, as indus-trialists relocate their operations to make good the erosion of cost competitive-

It may be that the stock mar-kets have sensed a benign shift in the economic structure that favours less inflationary growth. In the meantime, industrial confidence is high. Instead of testing investment plans against worst case scepains against worst case sce-narios as they did after the oil crisis in 1974, companies have sparked off a hugely optimistic investment boom in plant and machinery that will help sustain the growth momentum. So what could upset this

cheerful rationalisation? The main adjustment mechanism in a single world market in production and labour is the trade account; and trade imbalances provide the inflationary escape valve when individual countries suffer from overheating. The US experience with a large trade deficit is that the financing of imbalances can be manageable over long periods. But if overheating becomes global, financing would clearly be more difficult as competi-tion for resources in the trade surplus countries became more

fierce. That said, America's inverse yield curve is telling us that investors regard this problem as remote. Their faith in the ability of the authorities to provide monetary stability has been bolstered by a pre-emp-tive anti-inflationary strike in the world's three largest economies. The real risk now for equity markets - though not bankers who were scarred by the inflationary trauma of the 1970s will overreact by continuing to tighten, thereby precipitating recession, while the protectionist lobby in the US puts an additional brake on world trade growth. It is reassuring that the markets have so far shrugged off that risk. But the test is far from over.

David Lascelles reports on County NatWest and the Blue Arrow affair

he Department of Trade's five-month long inquiry into the Blue Arrow affair – the first to involve a clearing bank, National Westminster Bank is still a month or two from comple-tion. But the first fruits began to emerge this week when the inspectors circulated parts of a draft to those involved to give them a chance to correct facts and respond to criticism.

When the report is complete, it will be up to Lord Young, the Trade Secre-tary, to decide what further action to take, specifically whether to pass it on to the Serious Fraud Office.

Although people at Lothbury, Nat-West's headquarters, are putting a brave face on the affair and expressing the hope that the inquiry will conclude there were only technical breaches of the law leading, at worst, to a reprimand, there is some anxiety there that the government will use Blue Arrow to make, as one said, "a sensational killing in the City."

Interviews with many of those most closely involved suggest that Nat-West, and its merchani bank County, were, at best, economical with the truth about their controversial holdings in Blue Arrow, certainly so far as public disclosure was concerned, and maybe also in placing facts before their advisers and regulators. At worst, these actions could amount to fraud, and breach of the disclosure requirements of the Companies and Banking Acts, though the indications so far are that the inspectors will rec-ommend disciplinary action against individuals, and require them to abstain from certain types of activity, rather than recommend prosecution.

The inquiry centres on the handling of an £837m rights issue in September 1987 by Blue Arrow, the employment services company. The issue was a flop, forcing County, the lead underwriters, and Phillips & Drew, the brokers, to take large blocks of shares totalling nearly 19 per cent them-selves. But these holdings were not disclosed, even though, together, they greatly exceeded the 5 per cent level at which UK law requires disclosure. Last December, the DTI appointed two inspectors to inquire into Coun-ty's role in the affair under the sec-tion of the Companies Act covering

"circumstances suggesting that the company's affairs have been con-ducted for a fraudulent or unlawful purpose."

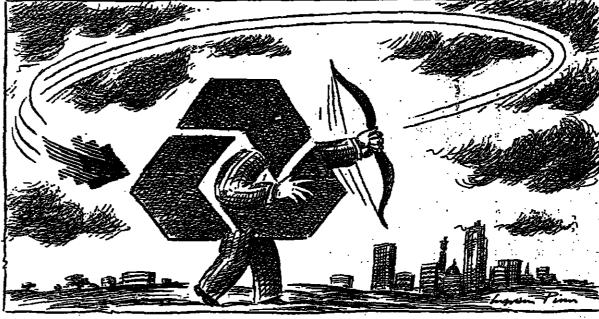
The major issues raised by the

The major issues raised by the affair appear to be these:
Intent: Was there are deliberate attempt to conceal the failure of the rights issue — or did County have solid grounds for not disclosing where the stakes had been placed? Bluntly, these conflicting views are summed up by two senior County executives, both now departed. Says one: "I can't see what all the fuss is about. The cornerate finance department was corporate finance department was doing what it was supposed to do, and it was all backed up by legal opinion." The second counters: "These people broke the law and they should be in

A key factor was County's eager-ness to have a successful deal and boost its standing. As a clearing bank subsidiary rather than an indepen-dent merchant bank it had always been in the City's second rank. It was also under strain because of management blunders resulting from the Big Bang in 1986.

gave County an opportunity to exploit its one great advantage, the huge balance sheet of its parent. The corporate finance department under Mr David Reed, and the director specifically engaged on Blue Arrow, Mr Nick Wells, were determined to make a success of it.

But many of the aspects of the way County handled the deal when it started to go sour after the October



Our motives were not base'

market crash are hard to reconcile with its executives' claim that all was right and proper. Specifically: • The stakes were split up into bun-dles which were small enough to fall below the disclosure requirements.

County itself had 4.9 per cent, and its narket-making arm County NarWest Securities was prevalled upon to take a further 4.6 per cent. Phillips & Drew, the UK stockbroking subsidiary of the Umion Bank of Switzerland, had about 6 roots and UKS itself. about 5 per cent and UBS itself

another 4 per cent.

County NatWest Securities held its ● County NatWest Securities held its shares under an arrangement which indemnified it against loss on the holding and limited it to 70 per cent of the profit. As a market-maker County NatWest Securities was exempt from the disclosure requirement, but only for shares held in the course of its market-making operations.

■ UBS held its shares under a special arrangement under which County arrangement under which County agreed to indemnify it against loss, thus reinforcing the link between the

various stakes. • There is a question-mark over whether County's compliance depart-ment was told all the details of the placings as soon as possible. One of the bank's directors admits: "Our understanding of compliance was less developed then. It was a new toy." Phillips & Drew put advertisements in the press claiming that the unsold portion of the rights issue had been "successfully placed at a premium." Although strictly correct, this

glossed over the fact that a large part of the shares were still with those responsible for issuing them, and the premium was a mere 0.25p.

The line taken by County NatWest

Aug 4 1977: Blue Arrow makes £767m takeover bid for Manpowe inc, and announces £837m rights

Sept 29: Rights issue expires, with less than half taken up by investors County NetWest, lead underwriter, ikes 9.5 per cent, and UBS and Phillips & Drew, stockbrokers, a further 9 per cent. Further stock

made to minimise disruption to the markets, and to do the best possible deal for its client. Blue Arrow. But was that sufficient justification for concealing the extent of the issue failure? "You could say we used bad judgment, but our motives were not base," says a senior County director.

The legal opinions: Much emphasis is laid by both County and NatWest on the fact that legal opinion was obtained shortly after the issue which said that the stakes were not disclosa-ble, and that all the actions taken were within the law. The main opinion was given by the firm of Travers, Smith, Braithwaite.

The legal opinion was crucial. It was the key point in presentations that were made by County both to the NatWest board and to the Bank of England and, it appears, was the main reason why neither of these bodies reason why neither of these bodies thought it necessary to intervene. The Bank was informed of the arrangements soon after they were made and questioned some of the details but was satisfied on learning that they had been cleared by the lawyers. Similarly, when the board was briefed on Blue Arrow at a later stage, the directors' main concern was with the legal position

The question is whether the law-yers were given the full facts. As one NatWest executive says: "You can tell the lawyers anything."

If it transpires that the opinions were based on partial information, this would strengthen any impression

that County was deliberately trying to mislead. It would also raise the ques-tion whether the NatWest board and the Bank of England were wrong not endent legal opinions of

Is placed with triendly companies and institutions. County says shares not taken up "have been sold in the market."

Dec 8: Nativest board told of placing

s and assured lawyers

Oct 17: World stock market crash.

say they are legal. Dec 17: County NatWest discloses its holdings in Blue Arrow

was within the law.

what extent was County acting on its own initiative, and to what extent with the approval of its parent?

What is certain is that the exposure created by the Blue Arrow rights issue exceeded the limits set for County Co

County and therefore required approval at group level by the chief executive's office, consisting of Mr Tom Frost, the group chief executive, and his two deputies, Mr Terry Green and Mr Charles Green. When the deal closed, NatWest's too personnel were in Washington attending the annual meeting of the International Monetary Fund, so they were not on hand when County had to find a bome for the

directors reported County's 9.5 per cent holding and the UBS and Phillips

their own on a matter as fundamental as this. Neither appears to have checked whether County put the right questions to the lawyers, though Lord Boardman, NatWest's chairman, felt sufficiently uneasy about the indemnity arrangements to seek further local coding. He was assured that all legal advice. He was assured that all

Who knew what and when? To

County had to find a home for the unsold shares.

Many people working in County believe that NatWest's top executives would have had full information all along about the placing of the stakes. But the executives say that these were technical details best left to the "seasoned professionals" at County. Also, they were reassured by the legal Also, they were reassured by the legal opinions. "We were not concerned with specialist detail. We were concerned with macro risk," says one of

The board of NatWest was not told of the problems with the issue until December 8 1987, more than seven weeks after the crash, when County

publicly for the first time. Feb 23 1988: Chairman and chief executive of County resign as County reports losses of £116m. Feb 26: County launches interna inquiry into Blue Arrow affair under Sir Philip Wilkinson, deputy

Dec 19: Inquiry by Department of

& Drew positions to them. The direc-tors inquired into the legality of the arrangements and were assured legal advice had been obtained. But the board did not ask to see the legal advice. "If the senior executives tell us that is the case, we had no reason to doubt them," says a board member. The extent of disclosure: Was the eventual disclosure by County of its stakes on December 17 the result of a

reasoned decision, or was it forced out by mounting press revelations, partic-ularly in The Economist? NatWest says the announcement was made "as soon as appropriate." But it was also clear by then that the truth could not be suppressed much longer, even if the auditors who were conducting their year-end reports did not uncover it soomer.

it somer.

However County only reported its own holdings. It did not disclose the holdings of Phillips & Drew and UBS. NatWest still believes this course was correct: "We were not concerned with the other arrangements, and in retrospect I still think that decision is right," says a senior source.

The role of UBS: If NatWest was economical with the facts, UBS's role was also questionable. Why did it not report its stake, which at group level amounted to well over 5 per cent? Why, furthermore, did Phillips & Drew place the advertisement announcing the successful completion of the issue when it knew that a substantial portion had been parked? stantial portion had been parked? UBS has refused to comment on the affair, though NatWest has said that such advertisements are normal prac-

What is particularly curious about UBS is that it was not named in the terms of reference of the DTI inquiry. This need not prevent it being criticised in the inspectors' report (indeed, two UBS employees were sent a copy of the inspector's draft this week, which is an indication that they are named in it). But the DTT's omission has added to the sense of grievance at

The Wilkinson inquiry: How thorough were NatWest's own efforts to get at the truth of the Blue Arrow affair once it had burst into the open? After the resignation of Mr Charles Villiers and Mr Jonathan Cohen, Villiers and Mr Jonathan Cohen, County's chairman and chief executive, in February 1988, Mr Terry Green took over as temporary chief executive. He quickly ordered an internal inquiry by the group's inspectors under Sir Philip Wilkinson, a former NatWest chief executive and now deputy chairman. NatWest has refused to discuss the details of Sir Philip's report, but its

details of Sir Philip's report, but its main conclusions are said to be: • that "administrative mistakes"

were made.

• that confidentiality rules were, if anything, too rigidly adhered to in County, and this prevented informa-tion about all the Blue Arrow holdings from being collaied. For example, it transpired that NatWest's fund managers had bought 1 per cent of filue Arrow for private clients and this tipped County's 4.9 per cent holding over the 5 per cent mark. that there was "laxity" in account-

ing at County.

However, Sir Philip's central conclusion is that all actions to do with Blue Arrow were taken with honest motives, and that there was no

attempt to deceive the public. in retro inquiry would have done more to restore confidence in the NatWest group (NatWest could have asked the Bank of England or external auditors to do it), but Mr Green did not debate whether this was preferable. "It was not a whitewash, it was a men culpa," says a senior executive. The coming weeks will show what further pain County has to to undergo before it finally purges itself of Elne Arrow.

n most democratic countries, new prime ministers or presidents ride into office on a wave of popularity, having just been elected by

Not Sousuke Uno. He was catapulted yesterday into the prime minister's chair in Japan with a chorus of abuse ringing in his ears and widespread scepticism about his ability to carry out the job. "He is a mediocrity among mediocri-ties," one political commentator in Tokyo sniffed, and many others expressed similar or more derisive thoughts.

The general view in Japan, not only among political commentators but also the public at large if television on-thestreet interviews are to be believed, is that Mr Uno has become prime minister simply because the leaders of the ruling Liberal Democratic Party (LDP) could not find anyone else suitable. All the other candidates who were considered in didates who were considered in over a month of tense intra-party negotiations in smoke fil-led rooms since Noboru Tak-eshita announced he would resign to take responsibility for the Recruit bribery scandal, were too tainted by the scan-dal too old, too young or not

Moreover, Mr Uno does not appear to have set any conditions for his acceptance, even though he must have been in a pretty strong bargaining posttion. Thus, many analysts assume that he will be merely a puppet of the real LDP bosses who selected him, led by Mr Takeshita and the former prime minister Yasuhiro Naka-sone. If so, he is in a very difficult position indeed.

On the one hand, those bosses expect him to improve the LDP's scandal battered image substantially in the next couple of months so that the party does not lose too many seats in the forthcoming partial elections to the upper house of the Diet. On the other hand, they themselves will stoutly resist any substantial reforms to the country's corrupt political system that he

may advance.
If this inauspicious set of cir-

MAN IN THE NEWS

Sousuke Uno

A serious politician with little taste for intrigue

By Ian Rodger

cumstances bothers Mr Uno, a 66-year-old, 10-times-elected party stalwart, he is not show-ing it. He said yesterday he was well aware of the crisis in the party and would set about political reform immediately.

Twould like to help the party "I would like to help the party make a clean start so we will be able to regain the trust and confidence of the people," he

Mr Uno certainly has some qualifications for the task ahead. He has, in his long political career, acquired a rep-utation as a competent and serious minded executive on a wide variety of issues. First elected to the House of Representatives in 1958, he was soon noticed as a man of promise, and was used by Government leaders in the mid-1960s as a frequent emissary to Seoul to prepare the groundwork for the normalisation of relations between Japan and South

He held party positions in the early 1970s that enabled him to acquire some expertise on financial issues and won his first cabinet post, that of direc-tor general of the defence agency, in 1974. In the late 1970s, as the minister responsi-ble for science and technology. he negotiated delicate agree ments with the US that enabled Japan to set up a nuclear reprocessing plant. He was minister of international trade and industry in the

Nakasone administration in the early 1980s when the US took fright at the surge of Japanese car imports, and he has proved an active and popular foreign minister at a time when Japan's influence in the world has grown rapidly. He is eloquent to the point of being occasionally maudin in his speeches, but wins praise from foreign diplomats for studying his brief carefully and

being a lively conversational-

ist. "Ministerial level meetings ministers have been quite painful, so Uno is appreciated," one Western diplomat said

The son of a sake brewer in rural western Japan, Mr Uno was a second lieutenant in the Imperial Army during the war. in 1945, he was captured by Soviet forces and spent two years in an internment camp. That experience led to his sub-sequent career. Shortly after coming home in 1947, he published a book about his experiences in the hope of raising public awareness of the plight of the remaining internees. The book was a great success, and formed the basis for a popular film. Mr Uno has said that "this experience of the power of public opinion led me to enter politics."

Otherwise, one can imagine him having become an affable teacher or a scholar. He has published two collections of poetry and two books on the history of his native region of Shiga, in western Japan. He paints in oils and loves to play folk times on the harmonica, as many foreign statesmen can attest. He is also a qualified teacher of kendo, Japanese

His weakness throughout his career has been an unwilling-ness to get deeply involved in the money-driven intra-party intrigue that leads to the acquisition of personal power in the LDP. He has been content to take a secondary role, working quietly for other lead-ers, especially Mr Nakasone, in whose faction he has been a loyal member for more than 20 years. When he was appointed foreign minister in the Takeshita cabinet, it was widely assumed that he was merely the delegate of Mr Nakasone, who maintains a strong interest in foreign policy.

His lack of a personal follow-ing in the party could be his undoing as prime minister. He will leave the Nakasone faction, in line with new party guidelines, but there is strong gineelines, but there is strong suspicion that the former prime minister still has a powerful influence on him. Indeed, Mr Nakasone resigned from the LDP and as leader of his faction last weekend partly to make it possible for Mr Uno to become arisms minister. Other become prime minister. Other party leaders and many backbenchers would not otherwise have stomached the idea that minister when the Recruit bribery campaign took place, be rewarded with a protege's succession for having caused the party's current upheavals. Mr Uno may also feel indebted to Mr Takesbita, who proposed him for the job and convinced the party's leaders to accept

It all points to another stormy few months in Japanese politics. But at least Mr Uno is aware of the imagery. file recalled one of his many mottoes yesterday. "Spring winds go through iron walls." They will probably have to if he is to be more than a stop-

HENDERSON ADMINISTRATION GROUP PLC

Results for the year to 31st March, 1989

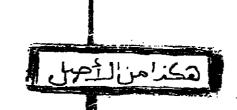
	1989	1988
Profit before tax in £thousand	12,440	22,456
Earnings per ordinary share in pence*	37.87	65.73
Dividends per ordinary share in pence	30.00	27.00
Net assets in Ethousand	47,707	45,561
Funds under management in Emillion	8,787	7,611

Examings per ordinary share are shown before transfer from/to initial charges equalisation re-

With a strong balance sheet as support, the Group has reaffirmed its commitment to corporate independence, and believes that it is well placed to take full advantage of resumed confidence in the world's equity markets to the benefit of shareholders and clients alike.

The above figures are extracted from the accounts of the Group on which the auditors have given an unqualified opinion. The accounts will be filed with the Registrar of Companies and posted to shareholders on 9th June, 1989. Thereafter copies may be obtained from the Company Secretary, Henderson Administration Group plc, 3 Pinsbury Avenue, London EC2M 2PA.

HENDERSON. THE INVESTMENT MANAGERS.



resident George Bush has not suddenly become a great world statesman despite the favourable publicity of the last few days on both sides of the Atlantic. But he has, in the words of Mr James Baker, his friend and Secretary of State, been seen to be "actively, aggressively and effectively leading the Nato alliance."

American political and media opinion is often volatile and herd-like. The same newspapers which were last week criticising Mr Bush for "vacu-ity and timidity" are now passing him for his "triumph" at the Nato summit in Brussels and for his "imaginative and serious" response to recent

Soviet arms proposals.
The President's four-nation European tour, which ended yesterday, has been important both for Mr Bush and for US relations with the Western relations with the Western allies. Before he left the US, his Administration's foreign policy reviews had produced proposals widely derided as "status quo plus" and a -series of speeches which were long on strategic thinking but short on specific proposals.

Mr Bush had already talked of looking beyond containment in seeking to break down the

in seeking to break down the barriers between Western and Bastern Europe, and of reinte-grating the Soviet Union within the world community. But his approach to arms control was cautious, wary about the Soviet Union's intentions and promises, looking for con-crete proof of cuts in its miliPeter Riddell looks at the standing of President George Bush after his successful European tour

Consequently, the US appeared to be lagging behind the pace of events in the East and the shift of opinion in the West. He was seen as falling to live up to the historic leader-ship role of a US President within the alliance.

However, Mr Bush decided about two to three weeks ago that a more positive approach was needed if he was to make an impact at the summit. This partly reflected his frustration at the criticism, as well as the increasing signs of a stalemate in the dispute over the future of short-range nuclear missiles in Europe. The need for new thinking was underlined when Mr Baker visited Moscow and was unstaged by Mr Mikhail Gorbachev, the Soviet leader. The fresh approach was, in Mr Baker's words, "not ini-

tially developed within the bureancracy" — that is it was discussed by the small inner group of officials at the top of the State Department and a few top staff of the National Security Council. It involved more wide-ranging and larger cuts in conventional arms than had previously been considered. Crucially, it offered an accelerated timetable, with talks due to be completed. talks due to be completed within a year and implemented by 1991-1992.

Thus it was possible to meet the West German desire for early talks on short-range mis-siles, while fulfilling the US



A brief rest on the laurels of a Nato triumph

and British concern that such negotiations should be dependent on substantial progress on reducing the conventional arms imbalance in Europe. The plan was then quickly sold to allied leaders during a 30-hour dash round Europe 10 days ago by senior officials. It leaked via the press as Mr Bush left Washington for a

two-day visit to Rome before the summit. But the leaks were partial, thus maximising the For those travelling with the President on the jet age equiva-lent of the Grand Tour, Mr Bush appeared to gain self-confidence as the week went on He started in a faltering way in Italy, but from Brussels

onwards was clearly elated by the welcome — mixed with relief — that his arms control plan received from the allies. Being treated as a leader, he hecame more like one. But to adapt a familiar phrase, George Bush is no Mikhail Gorbachev. He is not a natural leader with obvious charisma. For all his upper

class New England back-ground, Mr Bush is a quintessentially American figure — with an "Aw, shucks" style familiar from the film roles of Jimmy Stewart.

Mr Bush's authority comes from his experience and intelli-gence rather than from any the Rheingoldhalle in Mainz alongside Chancellor Helmut Kohl, Mr Bush was warmly received not for any flights of oratory, but for his ability to show that he could respond to European concerns.

European leaders were pleased that Mr Bush had taken the initiative since it was only the US that could offer the leadership needed to ensure that the summit succeeded. Mrs Margaret Thatcher offered Mr Bush the implied compliment — and the implied barb for President Reagan's dramatic moves – that she preferred a measured approach rather than dashing into

As a result Mr Bush has established himself with Euro-pean leaders. He is no longer on probation and he faces a Europe with which the US will now have a different relationship, involving more of part-nership. America, he stressed, "is and will remain a European power." But the European say and contribution will be and contribution will be greater. Significantly, Mr Bush hardened up US support for creation of the European Com-munity's single market after 1992. Earlier doubts have subsided and Washington sees vir-tues in a non-protectionist union stressing Western free market and democratic values. The President rounded off his trip with what was largely

The slum masses of Bu

Aires - more than 2m of them

live in unsanitary houses

a courtesy call to London, where much heat and a good deal of nonsense, was generated by the question of the US's alleged special relationship with Britain. Both sides protested that it was still as strong as ever. Mrs Thatcher and the Anglophile President undoubtedly get on well -though without the bonds which she enjoyed with President Reagan as a fellow ideological crusader.

While such ties may assist in providing access, which Mrs Thatcher has skilfully exploited, mutual affection is no substitute for national interest. As Mrs Thatcher herself pointed out on Thursday, the US has many friends in Burope, and one friendship does not exclude others. The US - and the notably unstar ry-eyed Mr Baker - are fully aware of the importance of Chancellor Kohl and President François Mitterrand for the development of Europe, in which Mrs Thatcher appears to be a laggard.

As Mr Bush arrived last night at his holiday home in Maine, he could savour his first international success. But a lot needs to be done to translate his ambitious plan into a firm agreement. And a whole series of pressing international and domestic issues remain, such as the Middle East, relations with Japan, and southern Africa, let alone the budget deficit and the strong dollar. One triumph does not make a

vithout electricity, are taught

or Argentines, hyper-in-flation strikes with dif-ferent weight, but it hits most of them.

Three weeks ago my baby was going to have disposable napples. After the birth I was going to have six months at home and a domestic, to kelp with the housework and shopping. All that's changed. Now there won't be a maid, the napples won't be disposable, and I will have to so hear to and I will have to go back to work after one month. And my baby is going to be privileged

at least I can still afford

Claudia and her husband, both in their thirties, are part of Argentina's sinking middle class. They would not dream of ransacking supermarkets, as did many of their fellow-Argentines last week. She runs her own business and her husband — a qualified physician — is training to be a psychia-trist. She is the breadwinner. His salary is in australs, Argentina's terminally sick currency. She gets paid in US

Private tutors, lawyers, opinion polisters, builders,

A land where looting is a form of survival

After a week of food riots in Argentina, Gary Mead describes how people cope with hyper-inflation

furniture makers — everyone who can, demands dollars as payment. Argentina is now a dollarized economy. In that sense it has fallen to the level

sense it has fallen to the level of Nicaragua, Poland, or the Central African Republic.

For a nation universally known — and widely disliked — for the haughty arrogance of its middle and upper class portenos (those citizens living in Buenos Aires), that smack to the ego is perhaps the higgest blow.

But if the middle classes are finding life tough, the already poor who took to looting last week are finding it impossible. An Argentine cartoon of last September depicts a crowd of september depicts a crowd or ragged people anxiously looking up a steep slope. Down the slope are tumbling bordes of well-dressed professionals, rolling over one another into the mire beneath. One of the The rioting took its fiercest hold in Rosario, the elegantly fading city 312 kilometres north-west of Buenos Aires. There, middle-class concern was as much with self-esteem as the handful of deaths resulting from the devastation of all but two of the city's 100plus groceries and supermar-kets.

"What are they saying about us in Europe, after all this nonsense here? They must think we're heading back to the jungle. It's a disgrace. Argentina used to be a Euro-pean country, now all these indians from Paraguay and Bolivia have taken it over," a local garage owner com-Argentina's indigenous Indi-

ans were wiped out by squab-

have nots is yelling "You lot can't come down here, there's not enough room?"

bling petty tyrants in the 19th century. Those migrants to Argentina from ethnic Indian backgrounds have left Bolivia and other neighbouring coun-tries precisely to avoid the kind of poverty which last week touched off Argentina's

The government, for its part, has decided that Trotsky-ists are to blame for the exploslon, and has cracked down on the tiny Partido Obrero (Worker's Party). Two of this group's leaders were sum-marily arrested on Thursday afternoon in the presidential

Such responses are dust thrown in the eyes of the nation. Trotskylsts and rootless foreigners represent a minuscule percentage of those who took to the streets. The wonder is that the solid mid-

civil servants and bank clerks did not pillage a few shops too. They are trying to live on around \$45 a month, when independent research shows an average family now needs three times that for the bare necessities of life. For pension-ers on fixed incomes of less than \$25 a month, things are desperate.

Hyper-inflation of more than 70 per cent a month has widely disparate effects on Argentina's citizens. The upper class (which has always thought in terms of dollars thought in terms of dollars anyway) may have to forgo holidays in Europe and the US, but meanwhile helps to spirit over \$200m a week out of the country in flight capital. Middle-class people such as Claudia face being forced down into poverty. Below them people are now fighting against the threat of extinction.

inflation rates, indicates that in two out of the four years

schemes have beaten inflation; in the other two they have

Taking an even longer look, my firm has published statistics relating to the change in purchasing power, since retirement, for those retiring as

early as 1969. These show that, throughout the 1970s, when

schemes were operating in generally unfavourable economic

conditions, pensioners' living standards declined, but since 1981 there has been a steady improvement, showing that

schemes have for some years been granting increases (to the longer retired) above the rate

All in all, not a bad perfor-

mance by the average scheme - though admittedly not a

great comfort if your scheme happens to be one of those which is below the average.

of current inflation.

N.G. Preston, R. Watson & Sons,

Watson House, London Road,

fallen behind.

Simply trying to sort out the relative price distortions brought about by hyper-inflation calls for great mental dexterity. When a one-week course of anti-biotics (2,000 australs) costs half as much as a month's rent on a small Buenos Aires apartment (4,000 australs), which also translates into the price of five jars of instant coffee, the market—and the austral—have

become meaningless.

Those who cannot get dollars try to find more than one job. Driving a taxi is the ubiq-uitous solution. "I work 15 hours a day, driving the taxi in the evenings after my office job. That way I manage to make about 29,000 australs a month, just about enough to keep my wife and two kids going," says an insurance clerk.

But taking on two or even

in shabby under-equipped schools and treated by roving doctors who carry plastic bags of medical freehies given by drug companies. An inhabitant of Soweto dropped into one of the dozens of the villas miserias (shanty-towns) which ring the capital would recognize the surroundings maximum three jobs plays havoc not only with health and personal happiness. It also leads nise the surroundings, particu-larly after this week's gunfire, directly to the black economy which has plagued Argentina for years. People have grown teargas and blazing rubberaccustomed to cheating on taxes. They have learned not to have confidence in govern-ment. Looting, in a sense, has now become the poor's form of

tyre barricades.

The popular image of Argentina, the beefsteak large enough to feed a family for a week, still exists for tourists and wealthy Argentines. Beef is still cheaper than shampoo. But both oozing roasts and toothpaste are now beyond the pockets of very many.

MR JIM MORTIMER

In Michael Cassell's article on Mr Kinnock's leadership of the Labour Party in the Financial Times on May 13, former Labour Party general secretary Jim Mortimer was mistakenly described as having been removed from that office by the Labour leader.

Mr Mortimer perfectly correctly points out that he retired as general secretary of the Labour Party at the end of May 1985 in his 65th year having given notice of his intention to do so at the end of October 1984.

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'Nato needs an enemy

Prom Mr Ira L. Straus Sir, All of your excellent commentary on the Nato sum-mit has shown how serious Nato's structural problem is -

explicit mention of this prob-The root of the current difficulty is that the military alliance was intended, by its founders, to be only the open-ing instalment in the development of an Atlantic Community - an economic and political alliance comparable to what the European Commu-nity has become. We never

In the early years the grand plan was stalled by American unreadiness for strong joint institutions (Americans seemed to feel they could afford to run the whole show alone), and by Britain's bad habit of playing European and Atlantic unity off against one another, instead of building them in tandem. The plan was then halted in its tracks by

Charles de Gaulle. Unlike the European Com-munity (which was also halted by De Gaulle), Nato has never recovered. Its original goal has been lost from sight.

Ü

Nato today treats its structural flaws as virtues - and applauds nationalism within the alliance. The original goal survives only implicitly, in the way Western leaders hold on to Nato as the cornerstone of the world order.
The world drder is indeed

built atop the unity of the industrial democracies, which unity is, in turn, built atop Nato. But Nato lacks the institutional basis for being a solid cornerstone for world order.

Its rules of operation are those of a gang: unanimity or else coalition of the willing; not democracy or majority rule. Consensus among free people being unnatural, it needs an enemy to hold its members together.

This is why Nato is in disarray whenever Soviet policy changes, whether for better or for worse: it has to get a new consensus for each readjustment in its policy. This is why Nato is especially fearful that the reduction of Soviet enmity will leave it in disarray, why, when Western publics welcome the change. Nato leaders call

this "disarray."
The founders of Nato could have said a word about President Bush's recently

announced goal of integrating the Soviet Union into the

world order.

America can succeed in doing this only if the democratic powers stand together on the important issues throughout. Yet how can they stand together on this, if Nato is not able to stand on its own but needs a Soviet enemy to hold it together? Only when the Atlantic alli-

ance starts moving again toward its original goal of a political economic community will it be able to stand indepen-dently of any enemy, and to think seriously of inviting the Soviet bloc countries to join. There is no disagreement between the German people and the American people on

Mr Gorbachev. Both like him; both hope to negotiate seri-If Americans and Germans got together in a joint congress, and voted together on alliance issues, they would agree (that is, votes would

divide along party lines, not national lines). It is the US Government that is suspicious of German atti-tudes toward Mr Gorbachev as neutralist. Meanwhile the German Government is suspi-

cious of American attitudes - as isolationist. On this basis, both governments grow suspicious of one another's reliabil-ity. Nato's dependence on inter-executive relations is the real root of the crisis in the

It is a perverse situation; what is needed to cure it is to introduce some democracy into the alliance of democracies.

Loss of memory about the original goal of the alliance means that Nato cannot contemplate a solution to this problem - nor even perceive the problem correctly. Instead, it blames it all on Mr Gorbachev, whom it pictures as plotting to divide the West. The founders of the Nato alliance would have had no trouble conceiving solutions. They believed in joint institutions commensurate with joint needs: in international democ-

Only by rediscovering this goal can Nato find its way forward again. Ira L. Straus, Executive Director,

Association to Unite the Democ-1506 Pennsylvania Avenue SE, Washington DC, USA

Some pensions keep up - and some don't From Mr N.G. Preston. sion schemes which increase their pensions at the very end inflation rates, indicates that

of the year could not have

taken account of the 6.8 per cent year-end inflation rate,

because the RPI for December would not have been published

In practice, many schemes will have paid their 1988 increase in April of that year (April being a popular month for reviewing pensions). Based on the latest published RPI, inflation was then running at only 3.3 per cent; this might be taken to suggest that the aver-

taken to suggest that the average increase of 4.7 per cent was somewhat ahead of inflation, rather than behind.

between these two extremes. The problem is that we cannot

know with certainty which 12

months inflation is being considered when a pension

increase is granted.

As in most statistical mat-

ters, a better impression is

gained by considering the lon-

A straight comparison,

The truth lies somewhere

until the middle of January.

Sir, Eric Short indicates that most company pensions are lagging behind inflation (May 30). This may be so — but the evidence advanced in support of this conclusion needs examining.
Mr Short compares a number

of statistics in respect of the year to January 1 1989, notably the Watson index of private per cent), and the increase in the Retail Prices Index (6.8 per cent). But whereas the increase in the RPI represents one year's change in price levels to the end of the calendar year, the Watson index is a measure of the average pension increase granted at a number of different - and generally earlier -

dates during that year.

Each pension increase will have taken account of inflation up to a point shortly before the increase is paid (not, of course, over the whole of the calendar year).

During 1968 the year-on-year rate of inflation increased steadily, from 3.3 per cent to 6.8 per cent. Even those pen-

between the average pension increase granted over the last Mutatis mutandis However distinguished a From Mr Osman Streater. Sir, The City Livery compa-nies are now almost alone (apart from Buckingham Pal-ace) in upholding the tradition

ger term.

City gent may be, however much a member of "the great and the good," a clearly visible metal clip round the side of the neck does rather detract from the decimal after the desired effect.

If the art of tying a real bow tie has died the death in the

City, it is surely better to change to dinner jackets, where the clip of a made-up Osman Streater. City Financial Marketing, 30-31 Great Marlborough Street,

Trees that grow so fair

From Mr David Sidorsky. Sir, Robin Lane Fox's article on the Davidia trees of Oxford (May 13) attributes the presence of these trees in England to Armand David - "The genius among botanising cler-

of dining in white the and tails.

one thing - the growing prevalence of made-up white ties.

This is splendid, except for

It has long been believed on this side of the Atlantic that the presence of the Davidia tree in Western gardens owes much to the efforts of the great collector, Ernest Wilson. The International Book of Trees, by Hugh Johnson, describes Wilson's journey to China in 1899

night, he wrote in his diary.
"Eventually, by combing the neighbourhood, he found a "His only information about the tree came from Dr Augustine Henry, the famous amagrove of Davidias and collected their seed. When he sent it off to London he was sure it was teur botanist who had lived in China for nearly 20

years . . . with Henry's instructions, he had to travel the 900 miles to Ichang in central China where the tree was. Henry drew Wilson a map - to show a solitary tree in an area the size of England.

New York

"Wilson was boat-wrecked in rapids . . . He was travelling through country notoriously unsafe; it was the time of the Boxer revolt, and his Chinese guide was an opium addict. He found the tree, though. Its stump was standing by a house that had just been built from its wood. I did not sleep that

the first ever to leave China.

"He was bitterly disappointed when he came home to find that De Vilmorin already had the tree in his collection." But it turned out that there were two different varieties. De Vilmorin's was the Davidia

involucrata var. vilmoriniana;

Wilson's the Davidia involu-

Robin Lane Fox suggests that the Vilmorania would have been "the better choice" for Oxford. It would appear that the possibility of a choice is due, at least in some measure, to Ernest Wilson. David Sidorsky, Department of Philosophy, Columbia University,

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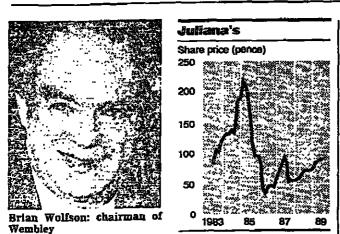
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UK COMPANY NEWS



Wembley goes disco dancing at Juliana's

By Philip Coggan

WEMBLEY, the leisure and property group, has made an agreed £22m bid for Juliana's Holdings, the hospitality and disco company which owns the Raffles club on London's Kings

Juliana's was founded as a disco group by brothers Mr Oli-ver and Mr Tom Vaughan in the heady days of 1967 when if you were going to San Francisco, you had to be sure to wear some flowers in your

Having survived cultural catastrophes such as the break-up of The Beatles and the foundation of the Bay City Rollers, the group joined the stock market in 1983 and moved into night clubs and gymnasiums.

However, it is the group's hospitality subsidiary, Jongor, that has provided much of the profits growth in recent years and is the main attraction for Wembley. Jongor's businesses, such as furniture hire, will pro-vide natural synergy with Wembley's exhibition centre, according to Mr Brian Wolfson.

Mr Wolfson also said that there was a link with Juliana's disco side since Wembley is used for more rock concerts than any other venue in the

Last year. Juliana's made pre-tax profits of £1.8m on turnover of £11.9m and Mr Wolfson said he did not expect the offer to cause any dilution

in Wembley's earnings.

The offer is in the form of convertible loan stock worth 102p per Juliana's share with a cash alternative of 90p per share. That compares with the 67p trading price of Juliana's shares, before a bid approach was revealed last week.

Mr Oliver and Mr Tom Vaughan have signed five year service contracts with Wemnience stores and 20 news-agents, which is being expan-ded at a rate of 10 stores a bley and have irrevocably agreed to accept the offer in respect of their 52 per cent holdings. Mr Oliver Vaughan will join the Wembley board. Earnings per share increased from 21.4p to 28.5p and the company recommended a final dividend of 5.35p, making 6.85p

Shares in Wembley fell 1p to 117p yesterday while those of Juliana's jumped 8p to 91p. Wembley was advised by Schroders and Juliana's by Guinness Mahon.

Eagle Trust talks with potential suitors ended

By Philip Coggan

Midlands-based mini- conglom-erate, said yesterday that it was no longer in discussions with potential takeover suitors. Mr Malcolm Stockdale, the former British Benzol chief. has recently become chairman of Eagle Trust after Iriquois Brands, the US group of which Mr Stockdale is chairman,

Mr Stockdale has ordered an independent report by Peat Marwick into the accounts of Eagle and does not want to sell any part of the group until Peat Marwick reports. Eagle is believed to have had approaches from suitors wanting both individual parts, and the whole company.

Eagle also announced yester-day the appointment of Parrish as its broker. At the time of the appointment of Mr Stockdale, Charterhouse Tilney resigned as broker and Charterhouse Bank as financial adviser, to be replaced by Aitken Hume.

VAG/Europcar

The trade and industry secretary has decided not to refer the following mergers to the Monopolies and Mergers Commission: the acquisition by Volkswagen AG of a 50 per cent holding in Europear and the acquisition by the latter of

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TRADITIONAL OPTIONS

For rate indications see end of May 30 First Dealings Last Dealings Last Declarations London Share Service Calls in TR Enery, Bus Technology, Cauldon, Far East Res, A further sign of a recovery in the Scotch whisky industry

Allied-Lyons goes for a double malt

By David Waller

ALLIED DISTILLERS, the whisky arm of Allied-Lyons, is buying two mothballed Highland malt whisky distilleries from United Distillers, the spirits subsidiary of Guinness, the international drinks com-

pany.
Neither company would give any indication of the size of the any indication of the size of the consideration yesterday, though it is thought that around £10m changed hands. The transaction is significant in that it provides further evidence of the recovery of the Scotch whisky industry.

The transdictillaries — the The two distilleries – the Imperial, in Carron, Moray-

PORTSMOUTH & Sunderland

Newspapers' pre-tax profits rose from £4.36m to £5.75m in

the year to April L on the back of increased advertising

and printing revenue.

The publishing, printing and retailing group — with which Sunday Sport publisher Mr David Sullivan enjoyed a brief flirtation earlier this year — said profits had increased 40

per cent if the 1987-88

figures were adjusted for 52

Turnover rose from £63.3m

to £71.7m, of which 70 per cent (73 per cent) came from

newspaper publishing and printing and the balance from

the group's chain of 28 conve-

(5.28p) for the year.

The group said advertising

BERMUDA'S Supreme Court

has stopped Sea Containers' subsidiaries buying further shares in the parent company

tainer rental group, and Stena, a private Swedish ferry opera-

Containers' subsidiaries buy-

ing further shares in their par-

ent before July 3, the date for a

hearing of the preliminary issues. It also freezes the "poi-son pill" protection which allows Sea Containers share-

holders to subscribe for new

preference shares in the event of a bid.

porary ruling, the documents run to 58 pages, an indication

of the intricacy of court actions

The injunction prevents Sea

for at least another month. The ruling follows the first

By Andrew Hill

shire, and Glentauchers, in Mulben, Banffshire - were closed down by United Distillers in May 1965 in the face of continuing overcapacity in the

"The industry was suffering from a surfeit of stock," explained Mr David Farvis, managing director of Allied Distillers, "which had the col-loquial name of the whisky loch. That loch has been draining rapidly in recent years.

"Now. we need extra capacity as stock is very much more in line with demand," be said. The two distilleries will be re-opened to take Allied's total to

revenue at its three evening and 16 free and paid-for

weekly newspapers had increased by over 21 per cent during the year, and sales reve-

Contract printing turned over nearly film, despite losing contracts to print The Observer and The Guardian.

Since April a new three-year contract with The Independent had doubled the paper's print-

run at the group's Portsmouth plant to about 250,000 copies.

The group took £690,000 of redundancy costs above the line. They relate to the change

to direct input at its Croydon

our press at half capacity.

The group also announced that it had converted its hold-

ing in Reuters into £2.6m in

cash and 428,000 shares follow-

ing capital reconstruction ear-

Court halts subsidiaries buying

further Sea Containers shares

Mr Charles Brims, P&SN's chief executive, said the group's double-width presses at Portsmouth were working at full capacity and the new col-

nue by 6 per cent.

operation.

12: the company makes Ballantively the world's second most popular Scotch after Guinness's own Johnnie Walker and the number two brand in the UK.

Guinness rejected any suggestion that the deal indicated a lack of commitment to the whisky industry on its own The company pointed out

that it operates 30 out of the 90 malt distilleries in production and will still have six mothballed plants even after the latest disposal. It has pen-cilled in capital expenditure of

P&SN

250

150

Share price (pence)

1986 87

lier this year at the news and financial information

group. Mr Brims said the cash would be added to existing cash balances of about \$2.7m

set aside for further develop-

Mr Sullivan bought a 5 per cent stake in P&SN at the end

of January, only to sell it within a week to Daily Mail

£17m for its distilling activities in the curren

A recent survey from the whisky industry showed that 1988 production, at 330m litres of pure alchohol, was the highest since 1980. Sales have been rising at 1-2 per cent a year, but prices have grown more rapidly.

Guinness still only distils 70 per cent of the whisky it sells each year, but the imbalance between supply and deamed is dwindling rapidly, not least because of increased demand for whisky from over-

figures look even better. The

company is probably set for a gentler year in 1989-90, with the adverse effects of high interest rates being offset by the benefits of direct input

which is being introduced at Croydon, P&SN's last publish-ing subsidiary to be converted

to new technology. Mr Sullivan's encounter with P&SN

pushed the group's shares up

from 240p to about 835p, and there they have remained, rising 5p to 343p yesterday, which looks a fair value. Analysts are hoping for between £6.5m and £7m before tax this year, which would not the charge on a more than the charge of the charge o

would put the shares on a pro-

spective price/earnings multi-ple of 10 or 11.

O COMMENT

Higher advertising revenue boosts P&SN publisher, Associated Newspapers, at a 30 per cent profit.

> These results were at the upper end of forecasts made hen the group produced its third-quarter figures in February and when rationalisation costs are added back in, the

Henderson stressed vesterday that it was "reaffirm(ing) its commitment to corporate independence". Mr Ben Wrey, deputy chairman, emphasised that Henderson had a strong balance sheet with shareholders' funds standing at about

Persistent bid speculation over the past year has intensi-fied in recent months with the emergence of USF&G Corporation, a US insurance company,

Henderson Admin falls to £12.4m but better than expected

HENDERSON ADMINISTR-ATION Group, the fund management group healy hit by the crash, emerged less scathed than it had expected as it revealed its results for the year to March 31 1989.

Pre-tax profits were sharply down at £12.44m, against £22.46m last time. But the shares rose 5p to 815p at the news of a better-than-anticipated final dividend of 23p (20p), making 30p (27p).

Revenues were down to \$38.8m (£55.2m) during the year, but the results showed a sharp improvement in the second half over the first. Second half profits were almost dou-bled at £8.15m, as management fees benefited from the recov-ery in world markets and as overheads were cut. Personnel was severely cut — mostly in temporary staff, though some permanent - and part of the headquarters building was sub-

Operating costs fell in the year by about 18 per cent to £32.7m (£39.86m).

as a 13 per cent shareholder Henderson has insisted the US company is welcomed Mr Wrey said he believed the City, which was expecting about £10m pre-tax, had under-estimated the degree of recovery that would be possible after the sharply lower first

This had mainly reflected the fall-off in unit trust profits the most lucrative part of the group, both in terms of extern nai sales and internal trading where activity fell off in the face of market conditions and

half result.

regulatory changes.

Mr Wrey said he was "modestly optimistic" for the current year, provided world mar-kets held at or near present levels, and provided the stabilisation in unit trust redemo tions, and slight uplift in sales continued. No further cuts in overheads would be possible however, without jeopardising the group's ability to service

Funds under management during the year increased 15.5 per cent to £8.8bn, of which £2bn were in unit trusts. Assets employed in the seven investment trusts rose 21 per cent to £901m. Profit available for distribu

tion following the transfer from the initial charges equalisation reserve (which irons out fluctuations in profits from unit trusts) was £10.16m (£11.25m). Earnings per share before transfer stood at 37.87p

Lowndes Queensway balance sheet deficit

By Maggie Urry

THE FIRST set of accounts from Lowndes Queensway, the furniture and carpet retailer formed by the takeover of Harris Queensway last August, confirm that the group had negative shareholders' funds of £101.8m, after taking off good-will of £116.4m, at the balance sheet date.

Since the January 29 balance sheet date two businesses — Poundstretcher, a discount retailer, and Hamley's, the famous toy shop – have been

The accounts also show that £679,000 was paid to James Gulliver Associates to cover costs incurred at the time of the Harris Queensway takeapproved by the company's financial advisers," the accounts say. Another payment, of £323,000, was made to Broad Street Associates, a public rela-tions firm, for work in connection with the Harris Queen-sway deal and the two

Mr James Gulliver, Lowndes Queensway chairman, is a

director and the majority shareholder of James Gulliver Associates. "The payment was

disposals. Broad Street Associ-ates was engaged on an arm's length basis. Mr Gulliver is a director and shareholder of Broad Street Group, the parent company of Broad Street Asso-

Besieged Lambert Howarth forecasts a return to profit

By John Thornhill

LAMBERT HOWARTH, the besieged footwear and luggage group, has issued a profits forecast for the 1989 year in an attempt to persuade shareholders to reject the hostile bid from Peter Black, the consumer goods manufacturer and

In its second defence docu-ment posted yesterday, the Lambert Howarth board pre-dicted that the company would achieve pre-tax profits of £1.25m for the current year compared with the £615,000 loss incurred in 1963 - since restated as £424,000 to take account of pension costs. A further exceptional profit of at least £850,000 is also

expected, resulting from the disposal of a freehold property in York Way, London. The directors have also forecast a total dividend of 9.50 which represents an increase of 11.8 per cent on the previous 8.5p. Mr Martin Jourdan, chair-

on improved manufacturing

man, said the company's future strategy would be based

efficiency, updating designs and selective importation of complimentary products.

The defence document stressed that the Peter Black offer was below the current market price of Lambert Howarth's shares and below the company's net asset value

In response, Peter Black said it was reviewing the contents of the defence document and would be making a further statement early next week after its offer closes on Monday. At that stage Peter Black can either let the offer lapse or extend the deadline.

At the first close of the offer on May 16, Peter Black's offer of one share and 320p in cash for every three Lambert Howarth shares had received acceptances representing only 0.6 per cent of Lambert Howarth's shares. At yesterday's share price of 143p, Peter Black's offer values Lambert Howarth at about £8.7m.

The six months saw rental

income increase by 92 per cent to £2.2m and trading profits nearly treble to £1.08m. Other income totalled £52,961

Finance costs jumped to £1.59m (£508,002) and at March

31 gearing stood at 60 per cent, based on the book value of

Rental income boosts Dwyer By Edward Sussman

(260,741).

A £1.06m boost in rental

income helped boost profits of Dwyer, the Dublin-based property and trading group, by 64 per cent to £1.38m pre-tax for the six months ended March

The group's property portfo-lio continued to grow rapidly during the period with the addition of nine sites in England and 19 properties throughout Scotland.

Mr Desmond Bloom, the chairman, said the market in Scotland was showing strong increases and that the sale of some of the Scottish sites had already created profits at the

However, the company said that further property disposals and the expected higher reval-uation of assets were likely to reduce gearing.

Earnings per share increased to 7.04p (5.34p) and the interim dividend is being stepped up by

50 per cent to 1.5p.

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rights and/or acquisition issues. SUSM stock, SSUnquoted stock. (Third market.

tive Mr Dan Sten Olsson, to Mr James Sherwood, Sea Containers' genial but hard-headed president and founder who owns 7.1 per cent of the group, writes Andrew Hill. "Dear Jim," (it begins) "I know it is very difficult for the legal skirmish in the unsoli-cited \$824m (£517.6m) bid for rear Jim." (it begins) "I know it is very united that for the creator and founder of a company to part from it; it is something I personally have experienced...Robert [Montague, Tiphook's chairman] and I sincerely appreciate what you have achieved. This is the time, however, to pass the baton to a new set of top the Bermuda-registered con-tainer group, which owns Sea-link British Ferries. An interim injunction was ranted to Temple Holdings the new Bermuda company set up for the bid by the two pred-ators — Tiphook, the UK con-

Evidence of Tiphook and Stena's attempts to kill Sea Containers

with kindness emerged at yesterday's Bermudian court hearing in the form of exhibit (a)(10), a letter from Stena's chief execu-

Mr Sherwood has yet to respond to Mr Olason's overtures, but the market seems unconvinced by the kid-glove approach: in New York, Sea Containers shares are still trading more than \$6 above the bid price of \$50. legal advisers in pocket both in Bermuda and Washington DC.

Temple says subsidiaries bought 19.9 per cent of Sea Containers' shares in March and April, allegedly in an attempt to thwart a possible bid from Stena, which had bought an 8.2 per cent stake. Temple claims Sea Containers management and subsidiaries already speak for a further 11.7

Although this is only a temper cent.

If the Bermudian court favours Temple next month, the subsidiaries' purchases could be nullified, frozen, or which are already keeping

The largest stake, of 10 per cent, was bought from Temple-ton, Galbraith & Hansberger, a US fund manager which, for technical reasons, is also a defendant in the Bermudian

In a separate action in Washington DC, Sea Containers is seeking to forestall the Bermu-dian case, alleging that Stena has already had one bite at the cherry in the US courts. Alternatively Sea Containers wants to freeze the Swedish group's

comes to USM valued at £16m By Vanessa Houlder James Smith Estates, a

James Smith

property investment company, is coming to the USM via a placing, capitalising it at £16.17m.

Sheppards is placing 3.75m shares at 105p, which represents 24.4 per cent of the capital. This will raise about £2.44m for the company which will be used to reduce its short-tests. short-term borrowings and increase its working capital.

The company has a property investment portfolio which comprises commercial, resi-dential and industrial property in London and the south-east of England.

The company said it intended to increase its property development activities, dthough the overall empha would remain in property investment, for which it con-sidered there were excellent medium-term prospects. After the placing the company will have a net asset value of £23.4m. The placing will be at a discount to net asset value of 31 per cent. In the year to March 24

1989, the company made pre-tax profits of £741,000 (£589,000) on rental income of £1.06m (£874,000).

well, the ubiquitous entrepre-neur who holds a 15 per cent

plus stake in the company.

went out of his way to declare

his loyalty to the present management, it was thought

that his holding would make an ideal platform for a

Since the profits warning, Mr Brian Malpass, the com-pany's chief executive, has

gone on extended leave due to ill health and the company's shares have sunk to their pres-

ent level from 457p.

De La Rue is now capitalised

is likely to be 35 per cent rather than the 11 per cent pre-

viously envisaged also jars.

De Benedetti raises his De La Rue stake

By David Waller

SHARES IN De La Rue gained 6p to 313p yesterday against the trend of the market after it emerged that Societe Financiere de Geneve - the Swiss holding company for Mr Carlo de Benedetti – had increased his stake in the UK banknote and printing equipment

Mr de Benedetti, the Italian entrepreneur, first disclosed a 4.9 per cent in De La Rue in

Yesterday's announcement indicated that his holding has now been increased beyond the

5 per cent threshold to 7.14m

shares, or 5.088 per cent.

De La Rue – which next week reports its figures for the year to the end of March - declared itself non-plussed at the latest development, and no-one at Sofigen was prepared to

company's future.

would be substantially lower than the £62m achieved in the previous year, and the

man, said he was pleased that

the company's new factory at

Corby was now operational

and that three of the seven

zine and catalogue division

will be treated as an extraordi-

nary item in the annual fig-

The special products division

But the disclosure served to stir up speculation aboutthe In February, De La Rue shocked the market with a warning that 1988-89 profits

in one day.

The company said then it was suffering from problems at two key subsidiaries - Printrak, a company which makes automated finger-print ident-ification systems, and Cros-field, a manufacturer of soph-

shares plummeted, losing more

than 10 per cent of their value

ery for the newspaper industry.
The announcement then fuelled much speculation that

isticated pre-press machin-

the company was vulnerable to a takeover bid.

Although Mr Robert Max-

HunterPrint falls 36% after factory move

HUNTERPRINT GROUP, the specialist printing group, yes-terday revealed a 36 per cent fall in pre-tax profits from £3.6m to £2.31m in the 26 weeks to April 2. The company said this lower

result was due to the disruption caused to its magazine and catalogue division by a move to a new factory in

Despite advance notice of the likely disruption, this result was worse than many in the City were expecting and HunterPrint's shares shed 35p to close at 215p. Turnover dropped to £46.01m compared with the £51.82m

achieved in the 27 weeks to April 3 1988. Earnings per has expanded its product range and Mr Hunter said the divishare fell to 7.15p (16.83p) at the basic level and 7.12p (15.74p) fully diluted. sion had an excellent foundation for future growth. Profits in the financial print-ing division fell because of Mr Michael Hunter, chair-

ures.

tightening margins and the static demand in the City for these services but the busine form division performed well.

The directors are recommending an unchanged interim

schedule during May.
"In today's printing market dividend of 3p and said that it you have to have a lot of firewas their intention to pay a power and a lot of flexibility final dividend of 7p making 10p and that is what we have at our new factory," Mr Hunter for the year to match last year's total. This intention, the company said, reflected its confidence in the future. However, further costs esti-mated at £7.4m resulting from the reorgaisation of the maga-

It is still not certain that HunterPrint's brave move into more high-tech printing is going to pay off, but in the meantime the group is suffer-ing from serious cost baemorrhages. The extraordinary item which will appear in the fullyear figures comes as a rude shock and the revelation that

9 COMMENT

the tax charge for the full year

The benefits of the new fac-tory's increased capacity and sophistication are unlikely to become fully apparent until the end of next financial year, and even then HunterPrint will have to battle hard to win orders in a taut market. Nevertheless, the company is confident about its strategy and its past record suggests that it knows what it is about. Analysts have downgraded their profits forecasts from about 56m to £4.5m and after yesterday's sharp share price fall the company stands on a prospec-tive multiple of about 16. The current year offers no thrills but in the longer term Hunter-Print may still prove to be an

interesting, if speculative,

MARKET STATISTICS

ECONOMIC DIARY

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tions, Poland, Fifth international conference on Aids, Montreal (until June 9).

MONDAY: Final April figures for retail sales. Consumer credit business in April. EC transport council two-day meeting opens, Brussets. Ms Benazir Bhutto, Prime Minister of Pakistan, visits Washington. Opec ministerial meeting. Vienna. Lord Caithness, Environment Minister, speaks at Global Climate Change conference, on World Environment Day. Shell Centre, London, British institute of Energy Economics fourth annual North Sea conference, Whitehall. Western European Union annual assembly opens, Paris (until June 8). President Energy Pr pean Union annual assembly opens, Paris (until June 8). President Francols Mitterand of France starts two-day visit to Tunisia. TUESDAY: Housing starts and completions in April. First quarter figures for house renovations. Chartered Institute of Public Finance and Accountancy conference, Eastbourne. Enterprise and the North West - opportunities for action, conference and exhibition, Manchester (until June 8). Finan-

action, conference and exhibition, Manchester (until June 8). Finan-

TOMORROW: Association of London Authorities, Friends of the Earth, and 100 other pressure groups, protest against London road building programme, Hampsteed Heath, Parliamentary elections, Poland, Fifth international conference on Aids, Montrest (until June 9).

MONDAY: Final April floures for travel and tourism in March. Detailed analysis of employment, carnings, prices, and other indicators. US wholesale hade figures for April Mr. Kenneth Baker, Education Secretary, speaks at accountancy conference, Eastbourne, Mr. John Patten, Home Office Minister, launches Secured by Design crime prevention initiative.

THURSDAY: CBI/FT Survey of dis-tributive trades for May. Nato defence ministers two-day plan-ning committee meeting opens, Brussels. EC environment miniscurb on small cars, Luxembourg. US money supply figures for week ending May 31. US figures for consumer credit in April. Paris Air Show opens (until June 18). FREDAY: First quarter construction output figures. US producer price index for April/May. Confederation of Shipbulking and Engineering Unions meeting on engineering Industry pay dispute.

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Public Deposits	109.301.522	+	3.498.511
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BARBADOS

The Financial Times proposes to publish this survey on:

19 JUNE 1989 For a full editorial synopsis and advertisement details, please contact: **NIGEL BICKNELL**

on 01-873 3447

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1st NOVEMBER 1989

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DAF issue oversubscribed after keen Dutch interest

By Leura Raun in Amsterdam

THE international share issue by DAF, the Dutch truck maker which is 40 per cent owned by the Rover car group of the UK, has been massively oversubscribed, with investors putting in applications for F1 16.86bn (\$7.6bn) worth of

The company, one of the top five European truck makers, said yesterday that its F1843m issue had been more than 20 times subscribed. Demand for the shares from Dutch investors, which are not barred from using multiple applications, was particularly beavy. Trading in Amsterdam and London will start on Monday

after allocation of the 17.9m shares on offer at F147 each. Allocation will be decided indi-vidually by the syndicate members, according to Mr Wilco Jiskoot of Amro Bank, global co-ordinator of the issue.

More than 50 per cent of the shares will stay in the Nether-

lands, about 25 per cent will end up in UK hands and the remainder will go to investors elsewhere, according to Mr Jiskoot. Institutional investors will get 70 to 75 per cent of the issue and private investors 25

'people's capitalism" earlier this year during the privatisation of DSM, the chemicals group. About 250,000 private investors subscribed, leading to the Dutch portion of the flotation being more than 25 times subscribed. After the DAP flotation, the

who experienced a taste of

Rover group will remain the largest single shareholder in the group with a stake of about DAF has a near 10 per cent issue and private investors 25 to 30 per cent.

In the Netherlands DAF has generated unprecedented demand from private investors,

SAF has a first to per cent of the European market for trucks above 3.5 tonnes gross vehicle weight. Last year it achieved net profits of Fi 147m on sales of FI 5.2bn.

Nixdorf confirms further losses

NIXDORF, the West German computer company which slid into the red last year, said yesterday it had continued to make heavy losses this year but held out hope that the sec-ond half would bring an

In response to an article in Wirtschafts Woche, a weekly German business magazine, it confirmed that the pre-tax loss in the first quarter was DM148m (\$74.7m). This trend had continued in

the second quarter. After extensive efforts to cut costs and improve sales, however, Nixdorf said that the second half would produce an operat-

It said turnover was up by 8 per cent in the first four months of 1989 compared with only 5 per cent in the whole of last year. Total costs were 6 misson.

It suffered from higher costs of memory chips, tougher competition at a time of changing customer tastes and require-

per cent higher in January-April against 10 per cent in 1988. But analysts were sceptical of Nixdorf's statement that the second half would produce a return to the black.

Miss Susan Anthony, an anarites in London, said: "We've not heard anything from them which leads us to think that's possible." She thought, though, that Nixdorf would be more forthcoming than usual about its progress at next Thursday's annual meeting.

Last year, Nixdorf made a pre-tax loss on normal operations of DM60m, comired with a profit of DM331m

ments, and a leap in staff costs. But because of proceeds from land and buildings sales, it was able to report a much diminished DM26m net profit this was 10 per cent of the 1987 fig-

When the results were announced in April, Mr Arno Bohn, the marketing director, said he would resign as "important goals have not been reached."

As more details of Nixdorf's plight have emerged, there has been widespread speculation that it might be taken over or merged with a higger concern. Mr Klaus Luft, chairman, has constantly denied this possibil-

ity, however.
Yesterday the group said about 1,000 jobs had been shed since last November's peak. The company employs about 30,000 people.

Okuma Machinery Works

emerged from a management upheaval early last year and more than doubled its profits. Pro-tax profits reached Y7.1bn compared with Y2.5bn and

sales rose 29 per cent to

Japanese machine tool makers ahead

By lan Rodger in Tokyo

JAPAN'S TOP machine tool makers all made profits in the year to March, for the first time in three years.

The companies benefited from a strong home market and brisk demand in most foreien markets in spite of voluntary export restraints in force to the US and elsewhere.
Orders for machine tools

received in 1988-89 surged 40 per cent from a year earlier to exceed Y1,000bn (\$7bn) for the first time, according to the Japan Machine Tool Builders Association, and demand for machine tools is expected to remain strong in the current

Toshiba Machine, the company which caused a US-Japan trade row two years ago follow-ing its sales of sophisticated machine tools to the Soviet Union, returned to profit last to rise 13 per cent to a record year following substantial Y16bn in the current year.

WEEKLY PRICE

Gald per troy oz.

Latest prices

losses in 1987-88. Pre-tax profits reached Y4.1bn compared with a loss of Y428m earlier.

Y428m earlier.
Turnover was up 13 per cent
to Y108.9bn, as sales of machining centres, plastic moulding
machines, discasting and printing equipment overcame weakness in demand for precision
machinery, semiconductormaking and food equipment.
The company is looking for
further recovery in the current
year, with pre-tax profits year, with pre-tax profits expected to reach Y4.6bn. Mori Selki nearly quadru-pled its pre-tax profits to Y14.1bn from Y3.5bn. Sales

due to strong sales and higher prices on its numerically con-trolled lathes and machining centres.
Pre-tax profits are expected.

\$484.75 \$412.25

The company cut its dividend in 1987-88 from Y7 to Y5.5 per share but has restored it tially to Y6.25. Pre-tax profits in the current year are expected to rise to Y8.7bn and

the directors intend to add another Y0.25 to the dividend. Makino Milling Machine returned to the black with pretax profits of Y3.7bn compared

Aida Engineering, a press manufacturer, lifted its pre-tax profits 16 per cent to Y7.8bn on sales of Y38.5bn, up 13 per cent, thanks to brisk sales of presses for automotive and electric equipment makers.

LONDON METAL EXCHANGE

Koor debt repayment deal agreed by creditors By Hugh Carnegy

BANKERS TRUST of New York yesterday withdrew a court amplication to wind up. Israel's troubled Koor Indus-Israel's troubled Koor Indus-tries, the country's biggest company, when Kour's leading-foreign and domestic creditors signed a debt repayment and recovery plan for the group. The move to liquidate Koor, which has been burdened by heavy losses and debts of \$1.25bn, was filed in Israel last October. The intervening months were marked by intense wrangling between

intense wranging between Keor and its creditors, and among the banks themselves, as a debt rescheduling programme and a recovery plan were worked out.

The agreement was in doubt up to the last minute as lawyers in Tel Aviv struggled to participating hanks before the court deadline of noon.
"It's really a relief," a Koor official said. "Now we have to

get back down to work." get back down to work."

Even with the immediate threat of liquidation removed, the task facing Mr Benjamin Gaon, Koor's chief executive, is formidable. The group owned by Hevrat Ha'ovdim, the Israeli labour federation—is expected to show losses of about \$2300m when it about \$300m when it announces its 1988 results on

This follows a \$250m loss in 1987, which partly triggered Bankers Trust's liquidation Bankers Trust's liquidation move. To stay affont, Koor has recently sold some \$100m worth of assets, including part of Teva, its pharmaceutical business, to Mr Robert Maxwell and the Jerusalem Post newspaper to Hollinger, Mr Conrad Black's Canadian newspaper group. It is also seeking a pariner to inject \$100m into Tadiran, its mainstay electronics business. Yesterday's agreement

Yesterday's agreement clearly favoured the foreign banks, which hold about a third of Koor debt. They were third of Koox debt. They were conceded "first out," meaning all their short-term debt will be paid off by the end of 1992 and will be secured. The Israeli banks will receive no repayment of short-term debt until 1992 unless Koor lieves excess operating cash

All long-term debt will be repaid according to its original schedule.

The deal was contingent on the Israeli banks agreeing to write off \$107m of Koor debt, the Israeli Government to ing \$50m in equity capital, and the Histadrut trade union -the controller of Hevrat Ha'ovdim - agreeing to a 5

Bringing a baron to the marquee

Louise Kehoe on a wine maker's yearly meeting - California style

I t was, as Baron Kric de Rothschild noted, a most unusual annual shareholders' meeting. As the sun shone and the aroma of sizzling fillet steak waited through the huge marquee, the officers of the Chalone Winary, the only publicly held premium winery in the US, dispensed with the business formalities as quickly as others shed their jackets. Sales and earnings for the first quarter were "a little down," Mr Bill Hamilton, chief financial officer, acknowledged. But 1988 was a vintage year and the dry spring of 1989 was perfect for grape growing, he added. Few of the 1,700 or so share-

holders in attendance seemed interested in the details of the company's first-quarter performance – most were busy pen-cilling orders for Chalone and Rothschild wines available at a special shareholder discount price, T-shirts and other Cha-ione souvenirs.

A cadre of local caterers was set to conduct the real business of the day — pouring sam-ples of Chalone wines and serv-ing a sumptuous feast of steak, almon, salads and sorbets. Baron Rothschild, or Eric as

he was addressed throughout the proceedings, appeared to enjoy the California-casual style event. Fils presence was viewed by many of the American share-holders as an overdue acknow-

ledgment by at least one Frenchman that California premium wines are on a par with French vintages.

Baron Rothschild joined the board of directors of the Calif-

ornia winery recently, follow-ing a cross-investment agree-ment between Chalone and Domaines Barons de Roths-child, in which the companies agreed to swap up to 20 per cent of their equity. Eager Cha-lone shareholders asked him when they might visit their Mr Richard Graff, Chalone chairman, set a serious tone with a speech about "unwar-ranted attacks" on the wine industry by those concerned with the health and social



Chalone's Pinots fetch £17 in the West End of London

roblems of over-indulgence. He seemed, however, to be preaching to the choir.

The principal concern of the day was the expanding popularity of the shareholders' meeting. Chalanta Sales and the concern of the characteristics. ting, Chalone's fifth as a

meeting, Chalone's little as a publicly held company.
"It is taking on a life of its own. Two years ago we had 425 people here, then last year it grew to 800. This year we have left General Motors in the dust [in terms of the number of shareholders attending] and even beat IBM." boasted Mr Philip Woodward, Chalone's

president.

The event was a special shareholder benefit, explained Mr Hamilton. "Most of our shareholders buy the stock for two reasons. — because they like the idea of owning shares in a winery, and because it is a

The stock has risen from a \$5% to \$6% range a year ago to trade yesterday at \$12%, valutrade yesterday at \$12%, valuing the company at \$39.1m. Mr. Hamilton acknowledged that the vast majority of stock owners held the 100 share minimum needed to qualify for discount wine prices.

An exception is Mr Bill Hambrecht, co-founder of Hambrecht & Quist, the San Francisco investment bank, who holds an 83 per cent stake in

holds an 8.3 per cent stake in the company and who was instrumental in arranging the affiliation with Rothschild. Chalone's managers are well aware of the rewards of warm

aware of the rewards of water shareholder relations. The win-ery's sales grew to 131,600-cases last year, with about 7 per cent of sales going direct to "These people are our best promoters," said Mr Hauslton,

gesturing to the crowd. They go home and tell their friends about this event and excourage them to buy shares. Then they go to restaurants and ask fo our wines."

What is more, the tolerance of Chalone's shareholders to quarterly earnings volatility seems to be directly related to their enjoyment of the com-

pany's products.
As Chalone's latest results

As Chalone's latest results illustrate, the art of pressions winemaking cannot be easily constrained to suit the quarterly reporting schedule of a US public company.

Chalone reported a 4 per cent drop in sales to \$15,000 for the quarter which ended in March.

The drop is in part explained by the success of Chalone's 1988 Pinot Noir wine, which sold out in the previous quarter leaving none to contribute to first quarter revenues.

A delayed shipment to Europe, planned for the first quarter, cut into sales and the winemaker's decision to reserve some of its best Chalone Vineyard wines also reduced sales.

reduced sales. To ensure shareholders

To ensure shareholders remain happy, Chalone is planning more special events. Later this year shareholders will be invited in attend a tasting and wine seminar at the plush Ahwaimee Hotel in Yosemite Valley. There are also tentative plans to organise a trip to plans to organise a trip to France for shareholders to visit the Rothschild chateaux. "We will have to charter a pair of 747s," said one of the Chalone winemakers. Stoping wine on a sunny Sat-

urdsy at the Monterey County hilltop vineyard seems, how-ever, to be the favourite activ-ity of Chalone shareholders, many of whom drove hundreds of miles to attend the annual "We could make another

public offering tomorrow and it would be snapped up by people who want to be here next year," said Mr Hamilton. The only problem is that the event is becoming more and more difficult to accommodate.

ABB in reactor venture

RELEASE OF the US unemploye

By Robert Taylor in Stockholm

ASEA Brown Boveri, the Swedish-Swiss heavy electrical engineering group, is to estab-lish with Westinghouse of the US a new company to service light-water reactors in Europe. The venture is to be known as ABB Westinghouse Nuclear Services and will have an inttial turnover of SKr600m (\$89.9m) and about 600 employ-

ees. ABB will own 51 per cent of the company and Westing-house the halance. It will bring together the existing operations of the two companies in reactor servicing

(Prices supplied by Amalgameted Metal Traditus). US MARKETS

CanPac sells carrier unit By Robert Gibbens in Montreal

US\$176m. Its main remaining

in West Germany, Belgium, Switzerland and Spain, ABB Westinghouse Nuclear CANADIAN PACIFIC has sold its Canadian Pacific Tankers bulk carrier operation to Cares Hellenic, of Piraeus, for

Services, which hopes to start up at the end of this year, will have its heafiquariers in frustels and operating units in Mannheim, Baden and Madrid. It intends to sell and service including their contracts, plus and operating the service including their contracts, plus and operating their contracts. nuclear reactors. It will not provide fuel related services for the plants.

Exciler this year ABB and Westinghouse formed in the chartered bulk carriers.

power distribution industry. | shipping company for capacity of 215,000 tunnes.

CRUDE Oil, (Light) 42,000 US gails \$/barrel

US a co-operative company in the power transmission and carriers to a New York-based

Chicago

SOTABEANS 5,000 by mirr cents/60th bushe

shipping activity will be a 57 per cent interest in a north Atlantic container operation, owned jointly with Compagnie
Maritime Belge.

• Hoogovens of the Netherlands has become the fifth pertner in the US\$1bn Alouette aluminium smelter at Sept Re on the lower St Lawrence, 700 miles north-cest of Montreal.
The Dutch metals group will pay about US\$130m for a 15 per cent interest in Alouette, which will have initial annual

WORLD COMMODITIES PRICES

AM Official Kerb close Open Interest

Gold per troy oz. \$362,0 -1	.5 \$484.75 \$412.25 \$360.25	Cash 1965-90 1995-2005	1005.70	CSIZ Georgesec the collar nelbed firm	Aug 19.09 18.94 19.15 18.76	Glose Pravious High/Low
Silver Per troy oz 329.55p -3 Aluminium 99.7% (cash) \$1967.5 -3	1.5 \$484.75 \$412.25 \$380.25 2.05 401.35p \$58.85p \$22.25p 147.5 \$3980 \$2810 \$1907.5 34 £1537.5 £1982.5 £1573	3 months 1933-5 1935-40 1935/19	1995-70 10 1922-4 1930-5 34,545 lots	the precious metals, with a late rally	Sep 18.65 18.45 18.70 18.33	Jul 708/4 708/0 711/0 705/0
Copper Grade A (cash) 11573 -2	147.5 \$3980 \$2610 \$1907.5 24 £1537.5 £1982.5 £1573 -17.5 £376.5 £432.5 £337	Cooper, Grade A (£ per tonne)	Ring turnover 33,625 tonne	towards the close on mixed buying,	Oct 18.51 18.09 18.37 17.98	Aug 683/4 684/4 688/0 682/4 Sep 650/2 663/0 664/4 648/0
Lead(cash)	-17.5 £376.5 £432.5 £337	Cash 1572-4 1632-4 1562/15		reports Drexel Surnham Lambert.	Nov 18.10 17.84 18.12 17.78 Jan 17.80 17.48 17.80 17.40	Sop 650/2 668/0 664/4 648/6 Nov 633/0 635/0 638/4 630/0
Nickel (cash) \$12650	\$15000 \$19350 \$12450	3 months 1589-90 1648-9 1600/15		Sugar remained firm after its strong	Feb 17.65 17.27 17.65 17.36	Jen 643/4 846/6 647/4 640/D
	127.5 £742.5 \$2107.5 \$1497.5 -425 £3936 \$10760 \$7480	Lead (£ per torme)	Ring turnover 13,750 tonne	advance Thursday. Trade buying and	Mar 17.52 17.27 17.52 17.29	Mar 651/0 653/4 656/0 649/4
Cocce Futures (Sep) \$802 -1	-425 £3935 \$10760 \$7460 15 £962 £900 £715			speculative short-covering lifted the cocos market. Coffee rallied with		May 658/0 659/0 992/0 655/0
Coffee Futures (Sep) \$1175 +	-4 £1135 £1270 £1089	Cash 425-40 402-4 3 months 392-3 395-4 395/391	403-4 399-4 389-97 10,281 lots			Jul 658/0 658/0 667/0
Sugar (LDP Raw) \$288 + Barley Futures (Nov) £106.3 +	-3.6 \$254 \$315.6 \$235.8 -0.1 £102.7 £113.50 £100.95	Nickel (5 per tonne)	Ring turnover 1,036 tokine	position evening shead of next weeks	HEATING CHL 42,000 US gallo, certie/US gallo.	SOYABEAN OIL 60,000 for; canbuilb
Barley Futures (Nov) £106.3 + Wheat Futures (Sep) £104.7 -(-0.1 £102.7 £113.60 £100.95			LC.O. meeting in London. The energy		Close Previous High/Low
Cotton Outlook A Index 78.15c +	-0.20 66.5c 78.2c 61.35	Cesh 12600-700 12650-660 12625/1: 3 months 12150-65 12375-600 12300/1:	2600 12650-700 2100 12100-50 12150-75 7,680 lots	complex featured aldeways action as	Letest Previous High/Low	
Wool (645 Super) 620p +	-3 650p 710p 610p			O.P.E.C. talks begin this weekend,	Jul 4980 4809 4980 4775	- Jul 21,12 20,50 21,25 21,05 Aug 21,33 21,10 0 21,26
Rubber (Spot) 57.00p +	1,25 84p 84p 55p	Tin (5 per tonce)	Ring turnover 670 tonne	Cattle prices fell 70 points basis June.	Aug 4670 4839 4990 4805	Aug 21.35 21.19 0 21.26 Sep 21.45 21.55 21.57 21.42
l	0.45 \$16.45 \$21.35 \$16.125	July 3. 10325-65 10340-60 3 months 10350-75 10375-400 10380/1	10345-85 0330 10370-80 10300-20 417 lots	as lower cash prices pressured	Sep 5026 4895 5035 4875 Oct 5080 4982 5100 4950	Oct 21.58 21.46 21.72 21.60
Per tonne unless otherwise stated. (Unquoted, p-p	encefig, c-cents ib.			futures. Pork belies and hogs were lacklustre. The grains ended the week.	Oct. 5080 4982 5100 4950 Dec 5236 5096 5236 5085	Dec 21.93 21.80 22.05 21.90
		Zino, Special High Grade (5 per tonne)	Ring turnover 8,225 toxine	driega. The dismis ember as seek	Jan 5245 5118 5245 5945	Jen 22.08 21.90 22.23 22.08 Mar 22.57 22.42 0 22.52
		Cests 1580-90 1635-45 1590/15 3 months 1535-40 1565-70 1540/15		queuy.	Feb 5185 5058 \$185 \$185	Mar 22.57 22.42 0 20.52 May 22.85 22.60 22.80 22.85
SPOT MARKETS	COCOA (/tonne				Mag 5025 4896 5025 5025	
Crude off (per barrel FOB) + or -	Close Previous High/Low	Zinc (S per tonne)	Ring turnover 10,400 tonne		• • •	SOYAREAN NEEAL 100 tons; S/ton
Dubel \$15.56-5.86v +0.25		Cash 1495-500 1525-95 3 months 1458-60 1490-8 1485/14	1485-90			Close Previous High/Low
Brent Blend \$16.00-8.15q	Jul 788 774 792 772	3 months 1458-60 1490-8 1486/14	49 1455-50 1460-3 10,253 lots	New York	COCOA 10 tonnes;5/tonnes	Jul 208.0 211.1 211.5 206.8
W.T.L (1 pm cet) \$18.89-9.94v +0.11	Sep 802 784 808 785 Dec 855 835 863 840			######################################	Close Previous High/Low	Aug 203.2 205.6 206.0 203.0
Oit products	Mar 884 848 857 849		LONDON BURGLISH MANAGE	GOLD 100 troy oz.; \$/troy oz.	Jul 1158 1139 1169 1182	Sep 197.0 199.0 199.0 196.5
(NWE prompt delivery per tonne CIF) + or -	May 875 858 876 882	POTATORS E/tonne	LONDON BULLION MARKET		Sep 7188 1166 1196 1184	
Premium Gasoline \$234-237 -1	Jul 890 874 890 881	Close Previous High/Low	Gold (tine uz) 5 price 2 equivalent		_ Dec 1219 1198 1298 1215	180.0
Gas Oil \$164-145 +0.5	Sep 906 890 903 902	Nov 98.0 96.0 98.0 98.5	Close 361%-362% 227½-228	Jun 366.0 364.1 369.2 362.5	Mar 1244 1219 1245 1231	Mar 188.5 188.0 188.9 185.0
Heavy Fuel Oil \$92-95 -0.5 Naphtha \$164-186	Turnover:7261 (5928) lots of 10 tonnes	Feb 115.0 116.0 Apr 168.0 168.1 169.0 167.0	Opening 362-36212 22814-22614	Jul 369.2 364.6 0 0 0 Aug 371.9 367.3 372.0 365.8	May 1264 1233 1257 1242 Jul 1274 1250 0 0	May 125.5 186.0 185.0 186.0
Petroleum Argus Estimates	ICCO Indicator prices (SDRs per tonne), Dally	Apr 168.0 168.1 168.0 167.0 May 163.5 164.0 164.0 162.0	Morning fix 362.7 228.977	Aug 871.9 967.3 972.0 366.8 Oct 575.4 971.8 973.3 970.2	Sep 1294 1270 1296 1291	MAKE 5,000 by min; cents/55tb bushel
Other + or -	price for Jun 1 981.12 (964.00) :10 day average for Jun 2 976.62 (971.50)	Turnover 267 (406) jobs of 40 torines.	Afternoon for 361,5 228,947 Day's high 363-363 ¹ 2			
Gold (per troy ez) \$362	tot day 5 brans far 1701	trationer Stat faceh lord on an invision"	Day's tow 361-361 l ₂	Dec 360.0 375.4 380.5 378.9 Feb 384.0 378.4 379.6 378.2	• •	1000 100000
Silver (per troy oz) 4 520c -1	COFFEE E/torine			Apr 388.2 383.6 364.0 363.5 Jun 392.4 387.8 387.0 267.0	COFFEE "C" 37,500lbs; cents/lbs	Jul 262/2 260/0 263/0 261/2
Platinum (per troy oz) \$500.25 +4.50		SOYABEAN WEAL CROTTE		Aug 388.6 302.0 0 0		Sep 242/6 240/4 244/0 242/4 - Dec 238/2 237/0 239/2 237/6
Palladium (per troy or) \$150.75 +2.75	Close Previous High/Low	Close Previous High/Low	Coltes \$ price £ equivalent	,,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Close Previous High/Low	
Aluminium (free market) \$1965 -30 Copper (US Producer) 1185 ₈ -119 +1	Jly 1200 1200 1215 1195	Jun 153.50 153.80	Maplelod 373-578 234-237		Jul 130.36 129.35 131.40 129.60	May 249/2 0 250/6 248/4
Leed (US Producer) 38.75c +0.25	Sep 1175 1184 1180 1184 Nov 1154 1138 1150 1141	Aug 148.50 160.50 149.50 Oct 149.00 149.50 148.00	Britannia 373-378 234-237	PLATBUM 50 troy oz; \$/bay az.	Sep 125.25 124.25 126.00 124.50 - Dec 121.50 120.33 122.25 127.15	200 2000 2006 251/A 2000
Mickel (free market) 570c -10	Nov 1154 1138 1150 1141 . Jan 1142 1134 1146 1138		US Eagle 373-376 234-237	Close Previous High/Low	- Dec 121.50 120.33 122.25 121.15 Mar 120.75 118.50 121.00 120.00	Dec 2004 2350 6 0
Tin (European free market) \$10320 -55	Nar 1140 1133 1140	Turnover 42 (55)lots of 20 tonnes.	Angel 370-375 23214-235% Krugerrand 361-384 227-229	Jul 511.0 499.5 512.0 496.0	Mey 120.36 118.00 121.50 120.00	
Tin (Kusta Lumpur merket) 27.56r +0.49 Tin (New York) 475.5c -1.5	May 1140 1135 1190 1129		New Sov. 8512-8612 6514-5412	Oct 511.0 501.0 512.0 498.0	Jul 121.13 119.60 0 0	WHEAT 5,000 bis min; cente/50th-busher
Zinc (US Prime Western) 853c	Turnover:2963 (2044) lots of 5 tonnes	PRESCHT PUTURES \$10/Index point	Old Sov. 5512-8612 5334-5412		Sep 120.00 118.00 0 0	Close Previous High/Low
Castle (live weight) 121.52p +5.32°	ICO indicator prices (US cents per pound) for	Cicee Previous High/Low	Noble Plat 502.5-510.5 317.15-322.2			had the same of th
Sheep (dead weight)† 239.54p +25.4°	Jun 1: Comp. daily 113.98 (114.74) , 15 day	Jun 1380 1428 1361 1368	•	SELVER 5,000 tray az; coms/tray az.		Sep 308/4 285/2 200/4 200/4
Pigs (live weight)† 81.80p +0.46*	average 116.53 (116.50)	Juj 1320 1363 1350 1304		Close Previous High/Low	SUGAR WORLD "11" 112,000 lbs; cents/lbe	411/2 408/9 A11/A Anai5
London daily sugar (raw) \$288.0u +11.8		Oct 1432 1470 1451 1425	Silver fix priine oz US ots equiv	Aun 529.6 519.6 C C	Close Previous High/Low	MRZ 416/0 414/4 417/0 414/0
London daily sugar (raw) \$288.9u + 11.8 London daily sugar (white) \$353.0u +8.6	\$UGAR (\$ per tonne)	Jan 1465 1495 1475 1486 Apr 1500 1512 1496 1490	Spot 329.55 522.00	Jul 533.8 824.0 535.0 521.5		- TON 403/6 405/0 401/0
Tate and Lyle export price £294 +7		Apr 1500 1512 1485 1499 BFI 1484 1567	3 months 341.10 594.60	Aug 598.3 528.5 D . 0	A 2 A 2 A 2 A 2 A 2 A 2 A 2 A 2 A 2 A 2	Jul 369/4 369/4 370/0 369/0
Barley (English teed) £104w		Turnover 539 (201)	6 months 352.85 547.10	Sep 542.9 533.1 544.0 551.0 Dec 555.2 545.0 657.0 545.5		LINE CATTLE 40,000 lbs; cents/fbs
Melze (US No. 3 yellow) £131.5q Wheat (US Dark Northern) £129.25u	Aug 257.60 254.40 258.00 253.20	Military 200 (co.)	12 months 375,65 572.30		Jan 10.73 10.85 0 0 May 11.15 11.07 11.20 11.00	01
	Oct 258.40 253.60 257.60 253.00 Occ 254.60 263.00 254.00 253.00			Jen 559.0 549.5 0 0	Many 11.15 11.08 11.18 0	
Pubber (spot)♥ 57.00p -0.75 . Pubber (Jul)♥ 63.50p -0.75	Dec 254.60 253.00 254.00 253.00 Mar 249.00 247.80 248.00 247.00	GRADIS Vionce		May 575.9 585.7 575.0 587.0	dui 11.07 11.00 0 0 .	Jun 68.35 69.05 69.10 68.26
Nubber (Aug) \$\Phi\$ 63.50p -0.75	May 249.00 246.00 249.40 248.00	Wheek Close Previous High/Low	LONDON METAL EXCHANGE TRADED OFFICIES	Jul 554,6 675,7 590,0 676.0	Oet 10.80 10.73 0 0	Sen 67.52 67.72 65.95
Pubber (KL RSS No 1 Jul) 202.5m -1.0		Jun 115.15 115.05 115.00	Alternations (99.7%) Calls Puts	Sep 593.7 584.7 0 0	•	Oct 60.75 W-MU 07.35 07.35
Coconut oil (Philippines) \$ 550x	White Class Previous High/Low		Strike price \$ tonné Jul Sep Jul Sep			Dec 30.30 serior cetal data
Palm Oil (Malaysian)6 · \$285v	Aug 344.50 343.00 346.00 342.00	Sep 104.70 105.00 104.70 Nov 107.35 107.80 107.40 107.30		·.	COTTON EO,000; conta/lbs	Feb 70.90 70.74 70.65
Coors (Philippines)§ \$357.5	Oct 327.50 324.00 527.00 324.00	Jan 110,40 110,75 110,50 Mar 113,60 113,65 113,60	1900 118 103 50 74 2000 61 60 71 126	COPPER 25,000 lbs; cents/lbs.	Glose Previous High/Low	Jun 70.20 70.20 70.25 70.00
Soyabeans (US) 21949	Dec 319.00 317.00 319.00 Mar 308.00 304.00 308.00 307.70	May 115.60 117.60 118.75	2000 61 60 71 126 2100 26 32 136 198		140	LIVE HOGS 30,000 Ib; centa/bs
Catton "A" index 78.15c + 0.05 Wooltops (64s Super) 620p +3	Mar 308.00 304.00 308.00 307.00	44 11004 11100 14014		Close Previous High/Low	7.00	
	Turnover: Raw 4480 (5065)icts of 50 tonnet.		Copper (Grede A) Calls Puts	Jun 110.60 110.20 110.80 110.89	Dec 68.60 68.83 69.08 69.16	Close Previous High/Low
a tonne unless othorwise stated. p-pence/kg.	White 574 (875).	Berley Close Previous High/Low	3450 106 144 44 98	Jul 111.50 111.10 112.50 109.20	Mar 99.75 89.70 60.85 90.05	Jun 48.32 48.30
c-centalib, r-ringgitikg. V-lui. u-lundui. q-lun.	Paris- White (FFr per tonne): Aug 2285 Oct 2185,	Sep 103.10 103.25 103.10 103.00	2550 55 98 92 147	Aug 111.10 110.60 0 9	May 69.90 69.90 69.46	47.22 47.17 57.40 67.00
r-Jul/Aug. w-Aug. z-May/Jun. 1Meet Commis-	Dec 2130, Mar 2050, May 2050 Aug 2040.	Nev 108.30 108.30 109.30 108.20	2650 25 63 161 210	Sep 110.70 110.00 111.30 102.00 .	44 40-1X 04-13 04-25 04-25	
ion average fatstock prices. " change from a	•	Jgn 109.35 109.35 109.30 109.20 Mar 112.00 112.05 112.00		Dec 110.00 109.10 110.60 107.50	Oct 67.96 68.01 67.95 67.90	Oct 41.62 41.62 45.62 41.40
reek ago. YLandon physical market. SCIF Rot-		May 113.45 113.50		• .		43.85 44.17 44.40 43.70
erdam. 4 Buillon market close, m-Maleysian	QAS QIL S/lonne		LORDON FOX TRADED OPTIONS		ORANGE JUICE 15,000 lbs; cents/lbs	46.67 46.77 45.90 45.46
onts/tg.	Close Previous High/Low	Turnover: Wheat 71 (136), Barley 71 (46). Turnover lots of 100 tonnes.	Coffee Jul Sep Jul Sep	Wolces		Jun 49.00 43.70 43.75 45.40
CRUIDE OIL S/parrel		INTERNATION		ABUTERS (Base; September 18 1931 = 100)	Class Previous High/Low	47.10 47.16 48.00
	Jun 144.00 142.75 144.00 141.76 Jul 143.00 141.76 142.75 140.78		1100 97 120 2 45		Jul 190.83 189.85 191.00 180.05	PORK SPLLIES 40,000 Res; centa/fb
Close Previous High/Low	Jul 143.00 141.75 142.75 140.75 Aug 143.50 141.75 143.00 141.00	PIGS (Cesh Settlement) p/kg	1160 55 91 11 66 1200 26 68 51 83	Jun 1 May 31 math ago yr ago	Sen 183.60 183.95 195.00 199.00	
IN 17.55 17.65 17.55 17.34	Sep 143.75 142.78 143.25 141,75	Close Previous High/Low		2005.8 2014.4 2005.1 1850.8	Nov 167.75 167.20 167.65 167.00	THE PERSON PROPERTY.
Aug 17.20 17.23 17.21 17.09	Oct 145.00 144.00 143.50 143.25	Jun 111.0 111.0 110.5	Cocca Jul Sep Jul Sep	DOW JONES (Bees: Dec. 31 1974 = 100)	APR 782,15 761,75 162.25 161,50	Aug 30.90 30.52 30.70 28.75
Sep 17.94 17.22 16.94 15.91	Nov 146.25 146.50 148.00 144.25	Aug 108.5 108.5 108.5	700 89 108 1 4		IMMS 161,245, 161,113 - 161,00 − 4e+ oo	Feb 47 80.67 30.90 30.00
PE Index 17,81 17.68	Dec 147.75 146.25 146.75 145.75	Oct 112.5 112.5	750 44 86 8 14	Spot 131.65 132.03 197.63 135.60 Futures 131.55 181.50 197.75 139.76	Many 160.75 160.65 0 0 dail 160.75 160.65 0 0 Sep 160.75 160.55 0 0	
Turnover: 5790 (3763)	Turnover 5321 (3111)jots of 100 termes	Ternover 10 (25) lots of 5,250 kg	800 .14 36 25 34	Futures 131.55 181.50 187.75 139.76	Sep 160.75 160.55 0 0	.tu
	the same for the state of the state of	1				Alia 49.50 0 48.40 _

CURRENCIES, MONEY AND CAPITAL MARKETS

LIFFE LING COLT FRITINGS OPTIONS

FOREIGN EXCHANGES

Employment figures hit dollar

THE US dollar spent an eventful day in currency markets yesterday, finishing sharply down from Thursday's close as sellers gained the upper hand in very thin trading.

In the second of the second of the pound of t

The mood of the market started on a very uncertain note ahead of the release of US employment data for May. A rise of 101,000 in non-farm payroll amployment was almost half the expected increase, and investors immediately took the view that the US Federal Reserve would see a greater opportunity to ease monetary

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? IN NEW YORK

STERLING INDEX

CURRENCY RATES

CURRENCY MOVEMENTS

OTHER CURRENCIES

June 2

1.5729-1.5730 1.5772-1.5780 8.56-0.95pm 0.56-0.54pm 1.77-1.75pm 1.72-1.64pm 6.18-6.08pm 6.12-6.02pm

Jame 2 Previous

Previous Class

compared with FFR.7275. On Bank of England figures, the dollar's exchange rate index fell from 722 to 71.6.

some traders suggested that the dollar is likely to find good support, at around the DM1.9500 level, while others expect the administration to allew interest rates to decline as part of the US contribution towards bringing the dollar down and helping to reduce global trade imbalances. important UK economic data is due for release.

Yesterday, the pound's exchange rate index rose to 92.5 from 92.4 on Thursday, although its close was down from an opening level of 92.6. Against the dollar, sterling rose to \$1.5920 from \$1.

opportunity to ease monetary policy. This was underlined by a cut in the prime rate of a US provincial bank to H per cent.

But the US unit soon bounced back from the day's lows atthough the recovery proved to be short lived, and the US unit fell back to finish at its lowest level for two weeks against the West Ger
towards bringing the dollar rose to \$1.5920 from \$1.5730. It was slightly weaker against the DM3.1175 from DM3.1206 but moved un against the Polar at the US anit soon bounced back from the day's lower by one eighth of a point overnight, showing a fall of three eighths of a point against the West Ger-

ward pressure may come towards the end of the month. This is when the next batch of important UK economic data is

DÓLL	AR SPOT	- FORWAR	ID AGAU	15T 7	THE DOL	LAR
2. بسط	Day's spread	Close	One month	% RA	Three modis	% PI
-	· 1.5800 - 1.5950 · 1.530 - 1.3655	15915-15925	0.55-0.52cos 0.20-0.25cds	88	1.76-1.71pm 0.15-0.25ds	4.36 -0.59
	12000-12000	12066 12070	0.26-0.30mls	-278	0.80-0.64as	-2.75
theriands	2.2010 - 2.2245 40.90 - 41.35	2.2045 - 2.2055 40.90 - 41.00	5.00-5.50cam	2.99 1.24	123-118pm 12-51-9-50pm	2.16 1.07
mert	7.64% - 7.69	7.62 - 7.62	0.75 0.50cman		0.70-0.30pm	0.26
Germany	19520-19745	1.9570-1.9580	0.47-0.46ptpm	2177 5.88	1,25-1,21am 210-2806s	250
لحوده: علد	125-125 125-126	162 55 - 162 65 123 95 - 124 05	38-49c/s	313	130-1454	4.41
	1418-1433	14204 - 14214	(3.30-3.804m/k)	-298 122	9.50-10.20% 2.33-2.65%	-276
1997	7.094 - 7.14 6.63 - 6.70	7.094 - 7.104 6.644 - 6.644	0.68-0.85oresis 0.55-0.50cm	0.94	1.05-0.9500	1,40 6,60
	6.61-6.654	661%-662%	0.95 1.100 etc.	-1.85	3.60-3.2565	-1.88
700 1273	141.35-142.40 13.81 t - 13.86 t	141.70 - 141.80 13.81% - 13.82%	9.57-0.55ypm 3.10-2.60gropm	474	1.58-1.55em 8.10-6.60em	4.41
dizertand .	16800-17025	16846-16855	0.27-0.24cpm	247 180	0.75-0.70	171
indus co		partency, Forward pos for convertible fram FORWAR	es. Filozocia) franc	41.06-40		
indus co	rency. Delglag rate k	s for convertible fram	es. Filozocia) franc	41.06-40		
POU June 2	ND SPOT- Day's Spread	FORWAR Clase 1.5915-1.5925	D AGAIN due nonth	41.06-40 IST 1	THE POU	ND %
POU	ND SPOT- Day's 1.5806-1.5930 1.9055-1.925	FORWAR Close 1,5915-1,9925 1,9195-1,9205	D AGAIN to conta	41.06-0 1\$T 1 24 1.05 1.28	THE POU	ND % pa 43%
POU June 2 June 2 June 1	ND SPOT- Day's spread 1,5800-1,5930 1,905-1,925 3,50-3,523, 65,15-65-56	FORWAR Close 1.5915-1.5925 1.9195-1.9205 3.5015-3.515 66.13-66.25	D AGAIN to noth a.55-4.52pm 0.25-0.15pe 2.13-pm 33-2-ym	41.06-0 % P.1 4.08 1.28 6.62 5.34	THE POU Three marks 1.76-1.71pe 0.87-0.70pe 53-55-pes 91-30ee	ND % pa. 4.36 6.56 5.34
POU Jene 2 Jene 2 Jene 1 Jene 2 Jene 2 Jene 2 Jene 1 Jene 2 Jene	ND SPQT- Day's syrant 1.5800-1.9930 3.50-3.524, 65.15-65.56	FORWAR Close 1.5915-1.9925 1.995-1.9255 1.905-3.315 63.15-65.25 12.135-12.142	D AGAIN for nonth 0.55-0.52pm 0.26-0.15pm 2-1-1pm 33-22pm 5-4-4-pm 5-4-4-pm 5-4-4-pm	41.08-0 % 9-1 4.08 1.28 6.62 5.34 5.09	THE POU Three marks 1.76-1.71pe 0.87-0.70pe 53-55-pes 91-30ee	ND % pa. 4.36 1.64 6.53 4.53
POU June 2 unth thertands . ightm . spark Germany	Dept. Dept. Dept. Dept. Dept. Sept. Dept. Sept. Dept.	FORWAR Class 1595-1595 1595-1595 1593-3515 4615-662 1213-1214 1166-1663	D AGAIN for nonth 0.55-0.52pm 0.26-0.15pm 2-1-1pm 33-22pm 5-4-4-pm 5-4-4-pm 5-4-4-pm	41.08-0 % 128 4.08 1.28 6.62 5.34 5.09 6.98	THE POU Three martis 1.76-1.71pm 0.87-0.70pm 53-55-pm 144-133-pm 130-1.20pm 55-55-pm	ND % pa. 4.36 4.36 4.53 4.53 4.53 4.53 4.53 4.53 4.53
POU June 2 June	MD SPOT- 09's 9rest 1.5905-1.9296 3.50-1.521, 63.15-16.56 12.15-12.1845 3.114-3.124, 28.10-29.80	Characteristic frame Characteristic	es. Financial france D AGAIN for month 0.55-8 Septe 0.26-0.15-pat 2-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	4.08-0 % U.2 4.08 1.28 6.43 5.34 5.09 4.89 6.186	THE POU Three mostls 1.76-1.71pm 0.87-0.70pm 53-55pm 144-134pm 53-54pm 53-16866	ND % 14% 6.534 6.534 4.53 4.53 4.53 4.53 4.53 4.53 4.53
POU Jene 2 state thertants . iptem separt Germany rugal	ND SPOT- Day's Spread 1.5905 - 1.9226 3.503 - 1.9226 3.50 - 3.524 4.15 - 66.55 12.134 - 12.184 3.114 - 3.124 28.10 - 29.80 197.15 - 198.6 2258-1 - 2258-1	Cluse 1.595-1.5925-1.925-1.925-1.925-1.925-1.925-1.925-1.925-1.925-1.925-1.925-1.93	B. AGAIN Out must 025-0-15-out 2-15-out 3-15-out 3-15-out 1-15-out 1-15-ou	4.06-0 5.7 9.2 4.03 5.34 5.06 4.89 6.98 1.86 1.86	THE POU Tree months 1.76-1.71sm 0.87-0.70sm 55-55-51sm 1.96-1.24sm 53-54-51sm 53-1.64sm 10-10sm 10-8sm	100 1436 1656 1539 1539 1539 1539 1539
POU Jeet 2 Jeet 2 Jeet 2 Jeet 1 Jeet 2 Jeet	Dept	FORWAR Close 1.5915-1.5925 1.5925-1.5925 1.5925-3.591, 2.591, 2.591, 2.165-2.165 2.165-2.165 2.161, 2.261	B AGAIN bar most	4.06-0 % P.2 4.06 1.28 6.42 5.30 6.48 6.46 1.27	THE POU Trees anoths 1.76-1.71 per 0.87-0.70 per 176-35 per 144-134 per 150-126 per 151-154 per 151-15	ND % 164 655 539 429 627 127 128
June 2 Ju	Depth of the series of the ser	FORWAR Liss: 1.5925 1.	D AGAIN Our court 255-852pm 026-015pm 241-pm 342-pm 050-05pm 141-15pm	4.08-0 % P.2 4.08 5.34 5.38 6.82 5.38 6.88 6.86 1.86 1.86 1.86 1.86 1.86 1.8	THE POU Tree seets 1.76-1.71m 0.07-0.70m 97-55-1m 19.133-10 19.120m 19.134-11 19.100 19.174-11 1	ND % p. 4.36 6.53 6.53 4.23 6.63 6.77 6.77 6.77 6.77 6.78 6.78 6.78 6.78
POU Jene 2 Jene 2 mate mate mate mate mate mate mate mate	D SPOT- Day's spread 1.5000 - 1.9990 1.5000 - 1.9990 1.5000 - 1.9290 1.5000 - 1.9290 1.515 - 1.525 1.1152 - 1.1455 1.1152 - 1.1455 1.1152 - 1.1451 1.1152 - 1.1451 1.1152 - 1.1451 1.1152 - 1.1451 1.1152 - 1.1451 1.1153 - 1.1451 1.1154 - 1.1451 1.1154 - 1.1451 1.1154 - 1.1451 1.1154 - 1.1451 1.1154 - 1.1451	FORWAR Cose 1.5915-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1925-1.1935-1.	D AGAIN Our court 255-852pm 026-015pm 241-pm 342-pm 050-05pm 141-15pm	\$1 \$1 \$1 \$2 \$34 \$534 \$534 \$536 \$136 \$136 \$136 \$136 \$136 \$136 \$136 \$1	THE POU Tree seets 1.76-1.71m 0.07-0.70m 97-55-1m 19.133-10 19.120m 19.134-11 19.100 19.174-11 1	ND 436 436 439 439 439 439 439 439 439 439 439 439
June 2 Ju	Depth of the series of the ser	FORWAR List 1.5915-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925 1.5925-1.5925	D AGAIN Or cont 155-852-po 02-015-po 151-2-po 151-2	4.08-0 % P.2 4.08 5.34 5.38 6.82 5.38 6.88 6.86 1.86 1.86 1.86 1.86 1.86 1.8	THE POU Tree monts 1.76-1.71 mm 0.87-0.70 mm 1.85-0.70 mm 1.81-2.0 mm 1.81-2.	**************************************
POU June 2 June 2 math the tank sight math that ank sight math that ala it sight sig	NID SPQT- 097's spread 1.8900 - 1.9990 1.8900 - 1.9990 1.8900 - 1.9925 3.50 - 3.52% 3.50 - 3.52% 3.50 - 3.52% 3.11% - 3.12% 3.12% - 3.12% 3.11% - 3.12% 3.12% - 3.12% 3.11% - 3.12% 3.1	FORWAR Close 1.5915 1.1925 1.5925 1.2925 1.5925 1.5925 1.5925 1.2925 1.5925 1.2925 1.5925 1.2925 1.1625 1.2925 1.1625 1.2925 1.1625 1.2925 1	6. Rando frances 6. Rando frances 6. Santa 2.5-4. Santa 2.5-4. Santa 2.5-4. Santa 3. Santa	4.08-0 % p.2 4.08 5.34 5.34 6.48 6.48 6.48 1.06 1.06 1.06 1.06 1.06 1.06 1.06 1.06	THE POUTE POUT The months of the control of the con	PA 4361 655 534 655 627 1.027
POU Jane 2 Jane	NID SPQT- 097's spread 1.8900 - 1.9990 1.8900 - 1.9990 1.8900 - 1.9925 3.50 - 3.52% 3.50 - 3.52% 3.50 - 3.52% 3.11% - 3.12% 3.12% - 3.12% 3.11% - 3.12% 3.12% - 3.12% 3.11% - 3.12% 3.1	FORWAR Cose 15915-11925 11915-12925 11915-12925 11915-12925 11915-12925 11915-12925 11594-11914 11594-1194 11594-1194 11594-1194 11594-1194 11594-1194 11594-1194 11594-1194 11594-1194 11594-1194 11594 11594-1194 11594-1194 11594-1194 11594-1194 11594-1194 11594-1194 11594 11594-1194 11594 11	6. Rando frances 6. Rando frances 6. Santa 2.5-4. Santa 2.5-4. Santa 2.5-4. Santa 3. Santa	4.08-0 % p.2 4.08 5.34 5.34 6.48 6.48 6.48 1.06 1.06 1.06 1.06 1.06 1.06 1.06 1.06	THE POUTE POUT The months of the control of the con	MD % pA 436 653 423 423 423 423 423 423 553 553

	Ecu contral: rates	Contacty associates against Eco June 2	% clarge from central rate	% change adjusted for divergence	Dhergen Limit, %
eiglas Franc anish Krone ermo D-Mark rench Franc etch Gallder ish Pank	42,4582 7,85212 2,09853 6,90403 2,31963 0,768011 1463,58	43,4769 8,09429 2,07577 7,04456 2,33877 0,776449 1506,08	+2.40 +2.96 +0.84 +0.84 +0.83 +1.05 +1.52	+1.52 0.60 -0.60 -0.61 -0.39 -0.39	±1.534 ±1.540 ±1.096 ±1.367 ±1.501 ±1.668 ±4.075

342 2	Short term	7 Days	Cine. Month	Three Months	Spx Months	Que. Year
Starling	131-134	रहे हैंद	1311-1311	144-134	144-1311	138-136
Can, Bollar	121-12	23.12	13. 元	12 13	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ng ii
D. Gelliger Sw. Praye	7.2	73-73	13.75	強温	44	7.7
Deutschmark Fr. Franc	84.82		100 SE		25	\$ 4
tallan Lire	85-85			5.5	55.55	55
Y64	3.4	543	34.5	3.5	54-54	3.5
D. Krone	91.91	1 就就	98-93	92.92	92-92	95-9%

June 2	5295 B. Fr. (Pub. 1450 B. Fr. (Con. 1986) Yes			91 91 92 Sport term		617-61 81-82 13-12-85 81-85 91-87 91-91 91-91 cheeps	8 5 9 9 9 Delas a	·		2 32	1 121 121 121 121 121 121 121 121 121 1
N. Zestand 27105 - 27155 17110 - 1. Sandi Ar 57940 - 5.995 3.750 - 1. Suggeone 3,0960 - 3,1055 1.965 - 1. S. At Chai 43270 - 3,3685 2,7400 - 2. S. At Gra 4565 - 6,7055 4,1320 - 4. Tainga 4115 - 41,23 25,00 - 2.	7510 9525 7500 2795 June 2	•	\$. DM	Yœ	FFt.	S.Pr.	H FL	Lira	C5	8 R.
U.A.E		0.521	1.592 0.511 7.050	碳	7242 1000	10.56 5.646	2.657 1.665 0.860 11.88	避	2262 1421 725.5 10018	1200	65.20 40.95 20.91 288.8
		0.321 4.429		13.81						_	<u> </u>
FORWARD RATES AGAINST STERLING	F Fr. S Fr.	0.945 0.373	1.505 0.543	2947 1,162	213.4 84.26	10 3.913	25% 1	1308	9437 5728	1.805 0.716	61.63 24.30
Spot 1 3 6	12 14 15 15 15 15 15 15 15 15 15 15 15 15 15	0.265 0.442	0.454 0.704	0.896 1,378	64.33 99.82	187	0.764 1.186	1 1552	644.4 1000.	0.547 0.849	18.58 28.82
US Dollar 1 5929 1 5867 1 5747 1 5573 1 0-mark 3,1175 3,0796 3,0648 3,0170 2 French Fr. 10,578 10,534 10,447 10,325 1	9359 R F	0.521 1.534	8,829 2,442	1.624 4.782	134 343	5.530 36,23	155	1.828 5.383	1178 3469	1 2,965	33.95 200.
Series Fr. 2.6825 2.6695 2.6419 2.9990 2 Yes 225,75 224.14 220.86 216.12 2	5250 V	00: Frenc	Fr. per 3	iO; Lira p	1,000:	Belgian Fe	pp: 100				

MONEY MARKETS UK rates steadier

UK INTEREST rates were barely changed yesterday ahead of the weekend. There was some relief that US employment data came out showing a smaller than expec-ted rise, and this helped to ble increase in UK rates.
Three-month interbank money was quoted at 14-13# per cent from 14-14% per

The Bank of England fore-cast a surplus of around £500m. Factors affecting the market

UK clearing bank base leading rate 14 per cost from May 24

included bills maturing in official hands and a take up of Treasury bills, together with repayment of any late assistance draining £137m and a rise in the note circulation of £380m. These were more than offset by Exchequer transactions which added £840m and banks' balances brought for-

ward 2170m above target.
The forecast was revised to a surplus of around 2300m, but the Bank gave no assistance in the morning. In the afternoon, a further revision took the sur plus to £250m, and the Bank took out the excess liquidity by selling £250m of Treasury bills at 13%-13% per cent, mainting

FT L	ONDON INT	ERBANK I	TXING
(11,00 a.m. Jone 2	3 sentis US dollars	6 mont	u US Dollars
bid 91 ₂	offer 94	bid 94	ofter 92
The fixing rates are the ar- quoted by the market to f Bank, East of Tokyo, De	Objectic means rounded to the he reference banks at 11,00 a natural Bank, Gampae Mation	nearest one-statements, of the rs. each working day. The b of de Paris and Moryan Gas	bid and offered rates talks are Hatlanni We tranty Trust.

KW YORK			Treasury	Bills and	Bondş	
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Jane 2	Outraight.	Dae Menth	. The Months	Tiree North	Shr Months	Lonized Interestion
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June.2	Oversight	7 days	One Month	Three Months	Six Meetis	Year One
sterbank Offer	235	134	134 134 135 136 136	144	姓	iii iii
ne-bank 8ld	7	135		ig gr	1343	138
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ocal Authority Deps. ocal Authority Bonds		134		14	1 44 (77.2
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Inance House Deposit	s) . i		1 132	144	144	먪
easury Bills (Buy)		· -	131	- 138		
ank Rijis (Bay)	1		[13 %	選	134 133 925	-
lae Trade Bills (Buy)	1	-	144	141	13%	
ollar CDs	1 - 1	. •	9.55	9 37 84 85	9.25	9.25
DR Linked Dep Offer	4 - 1	•	85 85 87	84	8발	. SE
DR Linked Dep Bid	['¬		8%	55	84	94
	I.s. I	-	87. 81.	95	7.5	74
Cil Linked Bep Offer Cil Linked Dep Bid						

Strike Calis-estricuents Puis-settlements	LEFFE BS THEAGURY BOILD POTUNES OPTIONS LEFFE BAND FUTURES OPTIMES Surice Calibratilements Pats-attlements Surice Calibratilements Pats-attlements
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Estimated volume total, Calls 2161. Pars 6741. Presions day's open Int., Calls 4366 Pars 12976	Estimated volume total, Calls 250 Puls 52 Previous day's open Int. Calls 1715 Puls 1528 Previous day's open Int. Calls 1715 Puls 1528
LEFFE CLS OFTIONS CLS,ANN Search per CED	LIFFE EMBORALIAN OPTIONS LIFFE SHORT STEMLING.
Strike Cells-settlements Pets-settlements Price Jan Jul Jan Jul	Strike Calis-settlements Pata-ettlements Strike Calis-settlements Pata-settlements Price Jen Seo Jen Seo Price Jen Seo Jen Seo 9025 52 106 1 11 6525 69 109 4 22
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155 425 470 47 15 166 123 284 265 379 165 17 67 639 742 170 1 17 1123 1192 175 0 3 1622 1678	9550, 90 55 4 15 850 48 91 8 29 905 91 11 11 18 22 8575 29 74 14 37 9106 3 50 27 30 8600 113 58 23 46 9125 2 33 51 35 862 6 6 41 58 9136 1 25 75 59 70 8675 1 25 86 88
Estimated volume inital, Calls O Pats 0 Presides day's open int. Calls 200 Pats 1600	Estimated volume total, Calls 500 Pets 0 Previous day's open left, Calls 4951 Pets 53259 Previous day's open left, Calls 4951 Pets 53259
LONDON (LIFFE)	PUT AND SUITA OF EXC CONTRING
28-YEAR 9% HOTELRAL GOLT 650,880 32-44 of 160%	Strike Calls Pals
Close High Low Pres. 1-14 92-00 92-14 91-22 92-13 Sep 93-03 93-19 92-23 93-17	Friez Jan Jan Sep Jan Jan Aug Sep 1475 10.97 10.90 10.90 10.95 - 0.11 0.44 0.93 1500 847 842 853 8.73 - 0.35 0.83 1.47 1555 642 2.78 6.47 6.78 0.10 0.75 1.43 2.17 1.250 3.82 4.32 4.70 5.13 0.46 1.45 2.18 3.14
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LONDON TRADED OPTIONS

STOREHOUSE led the field on the London Traded Options Market yesterday, capturing 1,894 contracts, consisting of 1,350 calls and 544 puts. Dealings in the stock saw opening of interest on the line of 272 contracts in open position to 3,760.

Striking feaure of the business in the line index option was in the line stock fell 1p to 233p. The Storehouse business was contained in 1,350 calls and 544 puts. Dealings in the stock saw opening of interest on the line in the line

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stock saw opening of Interest on both the cell and put sides, as the underlying share price fell 4p to 181p, on the back of the lettest profit figures.

Overall market business reached the modestly high level of 40,522 contracts, made up of 22,982 calls and 17,580 puts. Dealings in the FT-SE 100 Index amounted to about a quarter of overall market dealings; or 10,021 contracts, comprising 3,504 calls and 8,517 puts. The most

contracts, made up of 849 calls and 554 puts — the July 600 calls bringing business of 630 con-tracts, and the July 550 puts 262.
 Aug New Pek, Aug New Pek
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in the July 180 calls, which attracted 838 contracts, and the July 180 calls, which saw 368.

Other busy stocks were British Steel on 1,522 contracts, comprising 1,322 calls (the July 70 calls alone saw 700 contracts) and 200 puts, and the July 80 calls with 348 contracts.

Land Securities found 1,403 contracts, made up of 849 calls

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FINANCIAL TIMES - GUIDE TO _ by Christine Stopp _ Why should you become a unit trust investor? Will a unit trust perform better than a building society account? Why unit trusts rather than shares? This guide answers these and other questions and outlines all you need to know to make an informed investment decision about unit trusts. The book provides a detailed explanation of how unit trusts work, how to choose the most appropriate trusts for your circumstances, and how to assess their performance. The text is copiously illustrated with examples and graphs and is ideal both for beginners to this market and for the more experienced investor. Contents include: Why should you buy a unit trust • What are you buying • Looking at performance • How to use a unit trust • Unit trusts for income . How to deal in unit trusts . Getting advice · Pricing, distributions and tax ● Unit trusts or insurance bonds ● The future for unit trusts • Table of management groups • Glossary • Index. Please neture to: (Mail order address only)
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Please note payment unust accompany systems. Published September 1988 Please send mea Overscas Price UK Price Title Qty Financial Times Guide to Unit Trusts D2216'00 E17'00 £8.95 ISBN 1 85334 015 4 I enclose my cheque value £/US\$_ FT Business Information. 1 wish to pay by credit card (mark choice): Visa Access Amex Diners Card No. *I wish to order 5 or more copies. Please send me details of bulk order discounts or telephone (BLOCK CAPITALS PLEASE) Mr/Mrs/Miss. Please allow 28 days for delivery. Refunds are given on books returned in perfect condition and within 7 days of secript. red office: Number One, Southwark Bridge, London SEI 9HL. red in England No. 980896.

LEGAL NOTICES

No. 001100 of 1500 IN THE HEAR COURT OF JUSTICE

No. 802577 1989 IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION IN THE MATTER OF **WASSALL PLC**

- and -IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HERIESY GIVEN that a Petition was on the 5th May 1959 presented to Her Majesty's High Court of Justice for confirmation of the reduction of share capital of the said Company by the sum of 250,000 by cancelling the 50,000 7.5 per cent. Curradute Preference Shares of \$1,00 each and repaying to the holders thereof the sums paid up thereon being capital in excess of the wants of the said Company.

ANY CREDITOR or Sharsholder of the said Company desiring to oppose the making of any Order for the confirmation of the reduc-tion of capital of the Company should appear at the time of hearing in person or by Coun-sel for that purpose.

DATED 25th day of May 1989

EDUCATIONAL CEL IN FRANCE LEARN TO SPEAK FRENCH BY TOTAL NATURAL IMMERSK with French participants for 7 Intensive days in the BORDOGHE Chiseau LA VALOUZE 1d. 53 81 44 23 IL Lefoura CEL. 8P. 1860 24470 LA ROCHE CHALAIS – France

IN THE MATTER OF ANGLO LEASING PLC

AND IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Politic was on the 22nd day of May 1986 pr to Her Majeoty's High Court of Jeatho the sanctioning of a Scheme of Arrar and (b) the confirmation of the real she capital of the above-named com accordance with the provisions of t

ANY Cruditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose

PERSONAL

AUTHORS

Your book published.

For details: FT, Excalibur Press of London, 13 Knightsbridge Green, London SW1X 7QL.

FUTURE OF EUROPEAN CAPITAL MARKETS

The Financial Times proposes to publish this survey on:

3rd July 1989

For a full editorial synopsis and advertisement details, please contact:

Richard Willis or Gillian King en 01-873 3699 er 91-873 4823

or write to him/her at: Southwark Bridge London SEI 9HL

FT Representative **FINANCIAL TIMES**

or contact your local

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WORLD STOCK MARKETS

AMERICA

Dow surges amid delight over May jobs figures

THE EAGERLY awaited May employment figures delighted both bond and equity hovestors on Wall Street and pushed stock prices to new post-crash highs, writes Anatole Kaleisky in New York

By 2 pm the Dow Jones Industrial Average was 20.35 up at 2.51158, well above its post-crash closing high of 2,502.92 in early May, although still somewhat below its intraday high of around 2,520.

The Labor Repartment's figures showed much smaller than expected growth of only 101,000 in payroll employment in May. This modest rate of job. creation compared with expec-tations of around 200,000 strongly reinforced the mar-ket's view that a relaxation of the Federal Reserve's monethe Federal Reserve's mone-tary policy was on the cards. Although the weak May employment growth was parity a mirror image of a sharp upward revision in the April figures, analysis saw other rea-sons for cheer in the figures on

wages, working hours and overtime, all of which suggested that inflationary pressures in the US economy The bond market reacted enthusiastically, raising prices at the long end by un to one point within minutes of the Labor Department's amounteement by hypothesis and the Theorement by the theorement by the theorement by the theorem by t nent. By hunchtime, the Treasury's benchmark long hond was trading at 104%, up 1%. Money market rates, however, remained almost unmoved after the Fed gave an ambiguous signal to dealers through its open market

through its open market operations. The Fed drained reserves through matched sales when Federal Funds were trading at 9% per cent. The move was judged to have purely technical significance. however, and many analysts continued to speculate that fed funds would move decisively below 9% per cent early next week. A move below this level would probably create the conditions for a cut in the comlevel would probably create the conditions for a cut in the commercial banks' prime rates, they added.

Stock prices rose steeply

GOLD shares closed slightly firmer in Johannesburg with help from a steady bullion price, but trading remained very quiet and uncertain.

across the board, with blue chips and financial issues performing particularly well as institutions which had been sceptical about the recent rally piled into the market. Citicorp rose \$% to \$33% and JP Morgan advanced \$1% to \$42%, in response to the hopes of lower

> The day's busiest trading was in Texaco shares, as Salomon Brothers, Shearson Lehman and Goldman Sachs continued to place the huge block of 42m shares they had purchased on Thursday from Mr. chased on Thursday from Mr Carl Icahn. The shares advanced by \$% to \$49%, yield-ing the brokers, who had bought at \$49, a tidy profit. The second busiest issue was USK, another big Icahn hold-ing. On Thursday, there had been speculation that Mr Icahn might use the \$2bn proceeds from his Texaco sale to hid for USX, and yesterday the shares rose a further \$% to \$36%. Wil-

liams Companies, another energy business in which Mr Icahn has a big helding, declined \$1 to \$36%. The day's most significant loser was Sun Microsystems, the rapidly growing minicomputer manufacturer, which forecast disappointing earnings on Thursday night. The shares fell back another \$1% to \$19% in heavy trading on the Nas-

dag over the counter market.
After Texaco and USX, the heaviest trading on Wall Street was in Plum Creek Timber, a new issue, which advanced \$% to \$20%. The shares were floated on Thursday at \$28.

A CONFIDENT opening was sustained at midsession in Toronto, with shares buoyed by Wall Street and by economic data suggesting a cooling US economy and a possible sing of inflation.

The Toronto composite index

SOUTH AFRICA

The fundamentals that once drove the Milan bourse are no longer present, writes Alan Friedman

Italy sticks in doldrums as foreigners look elsewhere

THERE used to be a time, which includes Generali, the not so very long ago, when the mere mention of Italian equities brought a contented twinkle to the eye of fund managers and analysts from London to Wall Street. But the Milan bourse has been adrift for many months new, since the start of this year, the two main share indices - the BCI and MIB - have risen by a paliry 2.7 per cent. There is much apathy and little fresh liquidity in the market.

Unit trusts, once the locomo-tive of the boom, have been suffering from chronic redemptions and their total funds of L48,230hn (\$33.5hn) are 12 per cent less than a year ago. Special situations do exist among some second-tier stocks and in sectors such as banking and telecommunications but, for

foreign investors, Milan is largely out of favour.

Mr Drbano Aletti, a senior broker in Milan, points out that his own Aletti Index of leading blue chips has under-performed the market average 4 per cent since January. Like others he bemoans the have taken; this phenomenon,

market leader, reflects the widely held view that Italian insurance shares have been overbought and overvalued. Put simply, the fundamentals that were once driving the Milan bourse - the novelty of high corporate profits, a flood of mutual fund liquidity into the market, heavy foreign investment and the perception of political stability under Mr Bettino Craxi - are no longer present. But that's not all: to the embarrassment of Italian brokers, the Spaniards have managed to introduce elec-tronic trading before Milan. And the French have begun

The attempts by some of litaly's most sparkling names, such as Benetion and Fiat, to attract the interest of American investors by way of listing ADRs on Wall Street, are meeting with an indifferent response. Benetton has yet to response. Benetton has year list, but scepticism about the

getting serious about giving some regulatory powers to the Commission des Opérations de Bourse (COB), while Italy's Consoh regulatory authority is criticised as weak and inefficient

Fiat Share price (Lire '000) 14 12

1986 87

mance is palpable. Fiat is another story, and indeed this week the Turinbased car maker dominated Milan with record net profits of more than L3,000bn and the announcement of plans for a L1,000bn share buy-back. The buy-back, in theory, should take some of the pressure off the stock, which has lost 40 per cent since the 1986 sale by Libya of its 15 per cent stake. Italian funds and many bank underwriters that bought Fiat

clothing company's perfor-

at the top have been full up with shares. The problem, say analysts, is one of excess sup-

ply. Deutsche Bank suffered a fiasco in its placing of \$2bn of ex-Libyan shares and now considers its own 2.6 per cent stake a "permanent participa-tion." Thus the buy-back should have brought cheer to the bourse. But the Fiat share price has moved little since Tuesday's announcement. This at first glance seems odd because Fiat is, as one banker put it, a "cash flow machine that can be expected to produce excellent figures this year

So why is Fiat's share price in the doldrums? Mr Paolo Azzoni, of Studio Albertini in Milan, says that uncertainty about the European car market is holding investors back. Mr Edi Cetin of SIGE, the invest-ment bank, says: "The hig stra-tegic problem for Fiat is that the Japanese will come in 1992" although he recommends the stock for a year or two. In London, Mr Roberto Mocatta, motors analyst at County NatWest, says that, while Fiat

has been the most successful

car maker in Europe at reducing costs and improving mar-ket position, "it is difficult to see what more good news can come." He also notes that the Fiat strategy of diversification differs from the plans of Peugeot or Volkswagen, which are concentrating on their core car business. He thinks Fiat would do better investing in improving its position in France, West Germany and the UK than in

buying its own shares.

story in Milan is undoubtedly in banking. A wave of takeover and merger plans has galvan-ised interest and this is the sector that has most appealed to foreign investors. Credit Lyonnais, with its recent purchase of a key stake in Credito Bergamasco and a partial public offer to minority investors at the same price, has set a welcome example in a market where small shareholders are

Aside from Fiat, the big

generally left to rot.

The other sector that is certainly interesting is telecommunications. On Monday the state-owned Stet group will announce, together with Mr Bob Allen, chairman of American Telephone & Telegraph,

and share swap between AT&T and Italtel, the telecoms equipment subsidiary of Stet. Oilvetti, which is 22 per cent owned by AT&T, may eventually benefit indirectly from the Italtel deal, but the Italian office automation group is going through a difficult patch in common with other compa nies in the sector, such as IBM, Apple and Hewlett-Packard.

Brokers in Milan and analysts in London share the view that little excitement can be expected from Milan over the next six months. On the other hand, they stress that close followers of the Italian stock exchange should be able to find a variety of special situations in sectors from foods to chemicals. One example is the coming flotation of 20 per cent of Enimont, the new chemicals company jointly owned by Montedison and ENL This is likely to raise L1,000bn from Italian and foreign investors and should happen this sum-

Milan is a market that for the time being offers opportu-nities on a highly selective

Chirpy bourses reach high note as strong week ends

A STRONG week in Europe closed on a high note, with all the leading markets moving up the leading markets moving up briskly in active trading, writes

Our Markets Staff. FRANKFURT ended a flam-boyant week in suitable style, with share prices reaching their fourth consecutive high for the year and turnover remeiting activation. remaining active.

"Having shaken off concerns about inflation and interest rates, investors have spent the week focusing on optimistic economic and corporate news and the market has risen by 8 per cent. Yesterday's easier dollar added to the sense of

The FAZ closed 4.94 higher

at 593.20 and the DAX rose 6.71 to 1,419.71. Volume was DM5.24bn, in keeping with the busy tone this week though below Tuesday's peak of DM7.6bn, and there were suggestions that some investors might have been switching out

iasm for the company's potential asset value.

BMW, which has been stuck in a narrow range for much of the past year, spurted ahead by DM16.50 to DM563.50 in the wake of bullish news on the first four months' trading. PARIS had what one analyst

called a euphoric day, with activity and prices surging. Fundamental blue chip buy-ing spurred prices higher, rather than speculative stories for once, another analyst explained. Optimism was later reinforced by yesterday's US mployment figures. The CAC General index

based on opening prices, bit a record 481.2, up 3.6. The OMF 50 index rose more than 1.1 per cent to top the 500 level, adding 5.63 to 504.22, and the CAC 40 index rose 26.33 to 1,764.35 — a rise of 1.5 per cent on the day and 2.5 per cent over the week. Turnover was

estimated at a very heavy FFr4bn, compared with Thurs-day's 2.23bn. The market began strongly,

with Suez leading the way after an analysts' meeting on Thursday which led to buy recommendations and higher profit forecasts. Suez closed FFr13, or 3.8 per cent, up at FF1350.

A large order for Club Med went through just before the close, boosting its turnover. A total of 345,600 shares were traded in the day, or about 3.4 per cent of the company's stock. Club Med gained FFr43, or 6.5 per cent, to a record

ZURICH reached a high for the year - the first time it has breached its 1989 peak for about a month - as foreign interest returned. The trigger seemed to be the easing of cur-rency and interest rate worries, although one analyst said people had simply been search-ing for any excuse to buy. A blue chip rally propelled higher. Ciba-Geigy bearers surged SFr230, or 6.2 per cent, to SFr3,900, Sandoz gained SFr300 to SFr10,900 and Brown Boveri rose SFr55 to SFr4,010. The Crédit Suisse picked up 7.9 to 572.0 - a surge of 8.9 per

individual stocks sharply

cent for the week. AMSTERDAM moved up sharply in moderate trading. helped by the easier dollar, a firmer Wall Street and the absence of an interest rate rise. The CBS tendency index gained 22 to 1832, up 23 per cent on the week.

Chemicals were strong, with DSM up Fl 140 at Fl 142.10; investors are betting the Government will want to ensure good second quarter figures in August before the next tranche of shares is floated in the autumn, said a salesman.
Airline KLM added 50 cents to Fl 49.40 in active trading after joining a consortium to bid for NWA of the US. The flotation issue for Daf, the truck manufacturer, was 10

to 20 times subscribed. Trading is expected to start on Monday at around Fl 56.90, compared with an issue price of F1 47. MILAN was firmer as insur-ance stocks found favour after

recent declines. The Comit index rose 2.89 to 612.19, up 1.4 per cent on the week, in moderately active trading worth an estimated L180bn. Generali gained L150 to L40,000, rising to L40,150 after-

hours, and RAS rose L300 to L27,700, later reaching L27,900. MADRID had a lethargic day, with the general index los-ing 2.01 to 310.35 to end the week little changed. Banks and electricals suffered, but some construction stocks rose.

STOCKHOLM ended slightly higher in moderate trade. The Affärsvärlden index rose 3.6 to 1,178.9 in turnover of SKr308m. "All the Scandinavian markets seem to suffering from an attack of the early summer blues," said an analyst. The main feature was the introduction of an automated

trading system, but only 13 stocks can as yet be traded Astra shares climbed sharply on news that the company's ulcer medicine Losec had been approved by British authori ties. Its free B shares rose SKr5

COPENHAGEN was boosted by a surprisingly large DKrl.5bn April trade surplus which pushed the Danish share index past the previous high of 310.64 during the day.

The market was encouraged Thursday's decision not to tighten credit, and news of the swing from a DKr32m March trade deficit boosted sentiment RRUSSELS closed a quiet ssion mostly firmer, helped by the dollar's lower level and a feeling that interest rates were not due for an imm

Petrofina rose BFr75 to BFr13,375 in relatively busy volume of 14.270 shares HELSINKI finished higher in thin trade. The Unitas all-share

Nikkei slumps as sellers ignore good news

Tokyo

AN IMPROVEMENT in the external environment failed to inspire much enthusiasm yeaterday, and share prices plunged as investors took profits on a broad-based selling spree, writes Michigo Naka-

moto in Tokyo.

After rising on an initial spurt of buying early in the day, the Nikkei average headed downwards and continued in that direction to the end of the session, losing \$13.93 to finish at 33,667.42, a fall of 1% per cent on the week. The high for the day was 34,065.42 while the low was 33,627.97.

Declines outnumbered advances by 614 to 399 while 172 issues were unchanged. Turnover fell substantially to 913m shares against 1.62bn traded on Thursday. The Topix index of all listed shares lost 16.65 to 2,501.56 and in London the ISE/Nikkei 50 index fell

naming of a new Prime Minister and the return of

NATIONAL AND REGIONAL MARKETS

noticed by investors.

their consequently slim pros-pects for further gains led investors to dump them in favour of issues with good earnings results, particularly those in high-technology indus-

Analysts were divided over the reasons behind recent tions to the Upper House of the

Diet before committing them-

THURSDAY JUNE 1 1989

markets should have been machines, added Y60 to Y2,150 on the strength of a substantial closed 1.1 lower at 1,524.8, after noticed by investors.

The high prices of domestic demand-related issues and

trends. The theme and investment stances are shifting, said Mr Makoto Matsuzaki at Goldman Sachs, who felt that the change in itself was an indication of the market's confusion. Mr Hiroshi Taguchi at Nomura Securities, however, denied that there had been any change of direction in the com-pany's view of the market. Mr Taguchi felt that investors pre-ferred to wait for the July elec-

Among rises, Amada, a lead-

ending March 1969.
Nissan, the car manufac-turer, topped the most actives list with 303m shares, It has been actively bought in recent sessions as a good earnings issue, but closed unchanged yesterday at Y1,650, after rising Y50 to Y1,700 during the day. Large-capitalisation issues lost favour in Osaka, where the OSE average fell \$19.94 to

Roundup

traded on Thursday.

IN A mixed day in Asia Pacific markets, Australia and Hong Kong partially recouped early losses, while Singapore was

to 82.6m shares against 187.5m

strong.

AUSTRALIA recovered from its lows to close slightly down. Early selling was triggered by the defeat of the Government's proposal for a 15 per cent tax on superannuation fund earn-

WEDNESDAY MAY 31 1986

lower over the week as a whole. Turnover yesterday was 87m shares worth A\$190m.

HONG KONG managed a small rebound from early losses to end only mildly weaker on the day, although the recovery was seen as technical rather than a reflection of a fundamental change in senti-

The Hang Seng index fell 14.6 to 2,675.38 in volume worth HK\$1.4bn compared with HK\$1.2bn the previous day. The index has shed a further 3 per cent this week, leaving it about 18 per cent down on the past two weeks.

SINGAPORE continued to be active as institutions and small investors went buying again. The Straits Times industrial index rose 12.27 to 1.305.21 - a rise over the week of 2.8 per cent. Turnover picked up fur-ther to 93m shares, from Thursday's 78m.

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such as discounts and warrants, and gives guidance on how to choose and how to buy sh Published September 1988. UK price £8.95.

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Figures in parentheses show number of stocks per grouping	US. Dollar Index	Dayls Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Greet Olv. Yield	US Dollar Index	Pound Steriling Index	Local Currency Index	. 1980 High	1989 Low	Year ago (approx)
Australia (88)	132.44	+0.9	124.63	116.98	+ 0.5	4.93	131.30	123.79	116.39	157.12	128.28	141.88
Austria (19)	118,92	+Q. <u>7</u>	112,08	122.58	+0.4	2.10	118.13	111.38	122.14	124.18	92.84	87.80
Beigium (63)	128.56	-0.2	121.17	131.89	-0.1	4.15	128.88	. 121.51	132.05	137.10	126.33	120.92
Canada (125)	137.77	+0.3 +0.5	129.86 167.07	120.41 186.00	+0.4	3.41 1.81	137.43 176.37	129.57 166.29	119.98 184.53	138.05	124.67	120.82
Denmark (38)	177.26 144.20	+0.4	135.92	133.80	+0.8. +0.4 `	1.56	143.56	135.35	133.32	181.03 159.16	165.35 125.81	128.13 132.92
Finland (28)	1177.63	-0.1	110.87	124.14	+0.3	3.05	117.79	111.05	123.75	122.79	112.57	95.09
Prace (120)	23.92	+ũi	79.10	86.51	+0.5	2.34	83.85	79.06	86.12	90,40	79.56	76.64
West Germany (100) Hong Kong (49)	113.22	-21	106.71	113.00	-21	4:78	115.68	109.07	115.48	140.33	111.80	101.74
reland (17)	138,17	-0.7	130.23	144.32	-0.6	2.92	139-20	131.25	145.24	151.36	125.00	133.80
Italy (97)	76.87	-1.1	72.45	82.61	-0.5	2.67	77.72	73,27	83.06	86.88	74.97	71.11
Japan (455)	178.08	-1.1	167.85	160.63	-0.8	0.48	180.08	169.78	161.98	200.11	177.66	168.97
Malaysia (36)	182.85	+1.5	172.34	191.62	+1.4	2.51	180.18	169.86	188.89	184.26	143.35	139.63
Mexico (13)	222.31	-0.3	209.54	601.46	-02	0.84	222.88	210.14	602.63	224.69	153.32	157.71
Netherland (42)	115.84	+0.1	108.71	117.85	+0.6	4.38	115.17	108.59	116.96	122.22	110.63	104.27
New Zealand (24)	65.28	+0.7	61.53	- 59.31	+0.5	6.22	64.82	61.11	59.00	76.02	64.82	81.63
Norway (26)	175.03	- 1.3	164.97	170.34	-1.1	1.56	177.27	167.13	172.21	198.39	139,92	120.62
Singapore (26)	180.78	+1.5	151. 54	144.66	+1.5	1.92	158.33	149.28	142.53	160.78	124.57	115.96
South Africa (60)	130.87	~0 :1	123.35	119.45	+0.3	4.42	131.81	123.52	119.07	144.86	115.35	130.50
Spain (43)	147.55	- 0.1	139.07	140.45	-0.3	3.58	147.69	139.24	140.92	156,17	143.14	155.58
Sweden (35)	157.50	-0.7	148.45	155.69	-0.4	2.21	158.54	149.47	156.31	. 162,00	138.45	123.97
Switzerland (57)	72.72	+1.5	68.54	76.82	+ 1.4	244	71.63	67.53	75.73	79.78	67.81	78.87
United Kingdom (314)	137.49	-0.5	129.59	129.59	-0.5	4.45	138.17	130.27	130.27	153.33	134.53	135.28
USA (558)	131.35	+0.5	123.80	131.35	+0.5	3.41	130.70	123.22	130.70	131,35	112.13	108.05
Europe (1005),	†14.24	-0.2	107.67	113.21	-0.1	3.60	114.50	107.96	113.29	121.70	112.65	107.54
Nordic (125)	· 151.76	-02	143.04	147,22	+0.0	1.94	- 152.07	143.37	147.18	155.61	137.95	116.64
Pacific Basin (678)	173.75	-1.1	163.77	156.29	-0.8	0.74	175.60	165.56	158.25	194.72	173.45	165.27
Euro - Pacific (1683)	149.98.	-0.8	141.36 .	139.52	-0.6	1,61	151.18	142.54	140,33	164.22	149.40	142.19
North America (683)	131.65	+0.5	124.08	130.88	+ 0.5	3.41	731.01	123.52	130.03	131.65	112.79	108.73
Europe Ex. UK (691)	99.58	+0.0	93.85	103.06	+0.3	2.94	99.61	93.91	102.79	105.29	96.30	90.32
Pacific Ex. Japan (223)	121.84	+ 0 .0	114.83	111,40	-0.2	4.63	121.87	114,90	111.65	137.65	121.84	120.75
World Ex. US (1881)	149,41	-0.8	140.82	138.86	-0.5	1.69	150.55	141.94	139.62	162.77	148.80	141.35
World Ex. UK (2125)	142.42	- Q.3	134.23	136.97	-0.2	2.05	142.88	134.71	137.19	146.04	138.06	127.83
World Ex. So. Al. (2379)	142.03	-0.3	133.87	136.39	-0.2	<u>2.25</u>	142.52	134.37	136.66	146.65	138.82	128.46
World Ex. Japan (1984)	124.84	+0.2	117. <u>68</u>	123.77	+0.3	3.53	124.57	117.45	123.44	128.02	114.51	109.05

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

The World Index (2439)... 141.96 -0.3 133.80 136.27 -0.2 2.26 142.45 134.30 136.54 146.51 138.83 128.47

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Latest prices were unavailable for this edition.

CONSTITUENT CHANGES (JUNE 2): Deletions: Weston (G.) Foods (Australia) and Cadnettx Corp. (USA).

Late notification of a rights issue and an incorrect price received from source has made it necessary to recalculate the Austrian and related regional indices back to 29/5/89. Corrected daily indices are available from FT Prices; Tet: London (01) 873 4400.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share

Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes

the day's highest and lowest dealings.
For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 535(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic

of Ireland 1 td. # Bargains at special prices. 4 Bargains done the previous day.

6%% Red Deb Stk 84/89 - £96

(31My69) 6%% Fled Deb 5tk 87/92 - £83

11 % Leg 34 2029 - [1 1/22 [38]
51% Jing 1n Six - 251 % (258)
54% Uns 1n Six - 256 [258)
54% Uns 1n Six - 255 (218)
54% Uns 1n Six - 255 (218)
74% Uns 1n Six - 272 (258)
68% Des 1n Six - 272 (258)
88% Deb 50: 67/32 - 278
(318)
89% Deb 50: 67/32 - 278
(318)
89% Deb 50: 67/32 - 278
(318)

(31My89) 7%% Red Deb Sik 88/83 - 236 11 %% Deb Sik 2009 - 2110,2 (30My89)

10% > Deb Six 2018 - 297% % % %

Bulmer(H.P.) Hidge PLC8% 2nd Cum Prf £1 - 96
£1 - 96
£1 - 96
£1 - 96
£2014 - 294 (26M/95)
7% Into Ums Ln St. - 294 (26M/95)
8% Into Ums Ln St. - 275
£2014/95
£2014/95
£2014/95
£2014/95
£2014/95
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Cum Pri S1 - 64 (26My69)
7% Crw Cum Pri S1 - 138 40
7.6% 1st Mrg Deb Sak 89/94 - 285
Sengram Disallers PLC 12%% Deb Sak
2012 - 2111%
Smewsbury & Wern Browery Co Ld 4%
Irrd 1st Mrg Deb Sak - 233 (26My69)
South African Broweries Ld 7% Red Cum
Pri S1 - 10

- 550 (31My69)
Vaux Group PLC6%% A Cum Pri 21 - 68
10.75% Deb Stk 2019 - £387%
Watney,Menn & Treman Hidge PLC4%
Ind Deb Stk - 540 (30My69)
6% Red Deb Stk 89/94 - 052 (31My69)
7% Red Deb Stk 88/93 - 537 (26My69)
7% Red Deb Stk 88/93 - 537 (26My69)
7% Red Deb Stk 87/92 - £58%

734 Red Deb Sit 9095 - 298 101% Red Deb Sit 9095 - 298 12% Red Deb Sit 2008 - 2112% Whittneed & Co PLCB Ord 25p - £11.2 (30M/98) 45% 2nd Cum Pri Sit £1 - 40

31 My69) 5%% 3rd Cum Pri Sak 21 – 53 (31 My69)

6% 3rd Cum Pri Stk £1 = 58 7% 3rd Cum Pri Stk £1 = 70 (30My69) 7%% Red Deb Stk 89/94 ~ £87

(31 Myss) 10%% Uns Ln Sek 2000/05 - 298% 5%% Ind Uns Ln Sek - 256 (26Myss)

North Housing Association Ld Zaro Con Ln Stk 2027 – 260 (31My69)

Commercial, Industrial, etc.

A.C.Holdings PLC 11% Cnv Uns Lin Stk

9498 - £105 (30Myes) ADT LIADR (10:1) - \$28% AMEC PLC 15% Uns Ln Sik 1992 - £105 (31Myes)

Airtours PLCWerrants to sub for Ord - 20

(25My89) Altion PLC Ord 20p - 75 Alcan Aluminium Ld Com Shs of Nov -

Alcan Aluminium Ld Com Shs of Npv – £16% Alexon Group PLC6.25p (Ner) Cnv Cure Red Pr1 10p – 99 Alled Textile Companies PLC10% Cnv Subord Lins Ln Six 1993 – 2300 (26Mv89)

(25Mys9) Amber Day Hidgs PLC 10%% Cum Pri 99/2002 £1 - 100 (30Mys9) Ashley Group PLC8.25p (Neg) Cum Red Criv Pri 5p - 103 % 4 4 Associated British Foods PLC6%% Uns Ln Sk 67/2002 50p - 33 7/% Uns Ln Sk 67/2002 50p - 30 9 (31Mys8)

(31My89)
Associated Fisheries PLC8% Unit Le Six 91795 - 522 (31My89)
Attwoods (Finance) NY 8%p Gtd Red Criv Pri Sp. 141 2 2
Austin Reed Group PLCOrd 25p - 395
Automated SecurityHidge) PLC9% Criv Cum Red Pri S1 - 174 (30My89)
8% Criv Cim Red Pri S1 - 124 5
8% Criv Unit Le Six 90/95 - 5465
Avesco PLCCum Ptg Criv Red Pri 11997 1p - 177

T industries PLCADR (1:1) - \$8.9 .93 a .97 .99 9 № 97.99 9
B.A.T. Investments PLC 10% Uns Ln Stk
90/95 - £100 %
10%, Uns Ln Stk 90/95 - £96 % 100 %
8ET PLC5% Perp Deb Stk - £48%

(26My89) BICC PLC6% 1st Cum Pri Stk 21 - 57% (31My89) 51.^- 2nd Cum Pri Sik č1 - 502 7.- Deb Sik 85/90 - 690 7.4-6 Deb Sik 90/95 - 286

BM Group PLC4.5p (Net) Cnv Cum Red Pri 20p - 126© BOC Group PLC3.5% Cum 2nd Pri 11 -

50 (30Ay85) 8SR International PLC55/% Une Ln Stk 65/90 - £83 (31My85) 8TP PLC7.5p(Neg Cnv Cum Red Prf 10p

- 107
Balley(C.H.) PLCTB* Ord 10p - 43
Bardon Group PLC 5p (Net) Grw Cum Red
Pri 10p - 120%; 2 (31My89)
Bandson PLC Warrants to sub for Ord - 25
(30My89)
Benzer PLC 8.57% Cum Red Pri £1 96% © %®

96% % Chr Una Ln Sdx 2000 - £148 86% Chr Una Ln Sdx 2000 - £148 86% Chr Una Ln Sdx 2010 - £146 97 % (20My89) 8656/Li & Sona PLC 4.2% Cum Pri £1 -55 (31My89)

50 (J1My89) irmid Qusicast PLC 7%% Uns Ln St. 87/92 - 086 8

Blackwood Hodge PLC9% Uns Ln Six 8590 - 192 Bue Arrow PLCADR (10:1) - \$15.35 429485 449485

429486 449485 Bus Cardo Industries PLC ADR (1:1) = \$9.19 (2644/95)

\$9.19 (26My99) 5%% 2nd Deb Sik 1984/2009 - 1982% 6%% Uns Lin Sdq1975 or eff) - 1989 (20My99) ogod-Pelspeh PLCOrd 10p - 35

30god-Pelepah PLU-ru rug (31My89) Booker PLC ADR (4:1) - \$25% (30My89) Books Co PLC ADR (2:1) - \$9.6 (26My89) 7 \n uns Ln Ski 8678 - £87% Rowster Industries PLC 4.35% Cum Pri £1

Bowster Industries PLC 4.35% Curn PT 11 - 60 (51My69)
Brailme(T F.&LH.Ighldgs) PLC A* Non.V
Ord 250 - 2409
Brailmeate PLCCov Pri 50p - 78
Brent Chemicals International PLC 9%
Curn Red Pri 21 - 95 6
Bristot Stadkum PLC Ord Sit 5p - 433
(31My69)
British Akam Akamanium PLC 10% Deb
Sit 2011 - 233
10°/% Deb Sit 8994 - 295 (31My69)
British Akam Tobacco Co Ld 5% Curn
Pri Sit £1 - 47°, (30My69)
6% 2nd Curn Pri Sit £1 - 57%
(31My69)

8% 2nd Cum Pri Stit 1 - 27 in (31My89) British Fritings Group PLC5.5% Chw Red Pri 1 - 88 (28My89) British Home Stores PLC7% Mag Deb SM 9488 - E80 (26My89) British Snoe Corp Hidge PLC8% Cum 3rd Pri E1 - 60 (26My89) 7% Uns Ln Sti 8559 - E90 British Steel PLCADR (10:1) (Pby Pd) -1313 Stide PLCADR (

\$13 85 86 9 9 92 96
British Sugar PLC 10%% Red Date Silk
2013 - 298%
Brown & Jackson PLC 10.75% Chu Cum
Pri £1 - 97
Brown/John) PLC 5%% Sec Ln Silk 2003 £54 (30M/95)
Bullen PLC 5% Cum Pri £1 - 56 (26M/95)
Burst PLC 7% Chu Une Ln Silk 55/97 £55

(31My89) 7%% Uns Ln Stk 95/99 - 279 % 7%% Uns Ln Stk 96/2000 - 279

Registered Housing

No. of bargains included 14237

No. of bargains included ni

Associations

Corporation and County Stocks No. of bargains included 6 London County 2% Cons St 1920(or after) - £25 (30My89) Greater London Council 6% St 90/92 - £87 % er(City of) 11.5% Red Stk 2007 -

£105 (30Aly89) funchester Corp 3% Red Corp Stk 1928(or etter) - £24 (25Aly89) 1891 3% Red Stk 1941(or after) - £28 (30Aly89) 4% Corps (md Stk ~ £33 (26Aly89) **UK Public Boards**

Agricultural Mortgage Corp PLC4%% Deb Six 6191 - 034 (26My65) 61% Deb Six 82/94 - 237 (26My69) 61% Deb Six 82/94 - 237 (26My89) 71% Deb Six 91/93 - 235% (30My89) 71% Deb Six 91/93 - 255% Doyor Harbour Board4%% Fort Red Deb Six 78/93 - 680 (26My69) Metropolitan Water Southwark & Vauxhall SR 70% - 200 (Southwark & Vauxhall Water Co 3% Deb Sik - 240 (26My89) Port of London Authority 61/% Reg Sik 87/90 - 155/2 64 (30My89) Soutish Agric Sec Corp71/% Deb Sik 90/92 - 280/4 (26My89) 101/% Deb Sik 99/91 - 255 (26My89) Southampton Harbour Board61/% Red

Southampton Harbour Board (Stk 85/90 – £89 (26My89) Foreign Stocks, Bonds, etc-(coupons payable in LONGOR) No. of bargains included3 Greece, kingdom of) 4% Renters 1889(Asad with Accept Cert) - £33© Associated Newspapers Holdings PLC 811% Gid Each Bds 2003 - £156%© Common)پاهانداند 1997 - 1992 onale De Pana 10% Nts 1994

Barclays Bank PLC 10%% Senior Subord Bds 1997 - 1920 12% Nts 1992 - 1997; (311My89) British Oxygen Finance BV 11 ½% Glid Bds 1991 - 197.9 8.4 (30My89) Grand Metropolitan Int Finance PLC 10½% Gd Nts 1990(Br.55000) - 1984/0

und Nts 1990(Br£5000) - €76% ◆
Nailar Buldung Society Pag Rate Ln Nts
1992(Br£5000) - £100 (26My89)
FlogRefeLnNts 1996(Ser
A)(Br£500055000) - £99.95 ◆
Nenoon Trust PLC 10% Bds 2006
(Br£5000) - £88% (21My89)
Netton—Challer (Br£5000) = £88% (211mpcs)
ydro-Quebec
11%-DbsSert-C9/2/99
- \$C102% 8 (30My89)
- \$C102% 8 (30My89)
- \$101.3 (26My89)
- \$1026 brdustries PLC 10%% 8ds 2020
(Br£100008100000) = £93% \$4.40
Namonal Westminster Bank PLC 9%
Deposit Nx 1992 = £911/49
Baarmont PLC Zerro Con Bds

Deposit NS 1992 - 1317/P Pagroof PLG Zaro Cyn Bds 1992[8/£]000455000 - 270B Rood International PLC 114% Bds 1994[8r £5000] - 1951: 6 1: (25M/88) Royal Bank of Scottand PLC 104% Subord Bds 1998 (Br25000825000) -294% % (26My89) Saub-Scania AB 9%% Bds 18/2/91 \$994

\$39\$\Pi\$ \$ansbury(J) (Finance) B.V.9 % God Nts 1991 - \$99 3 (30My89)
\$askatchewan(Prov of) 10 % Nts 1993 (Br\$510003 10000) - \$0000; 25My89)
\$woden(Kingdom of) \$8% Bds 2016 (Br\$5000850000) - \$89 % Dds 1996 (Br\$5000) - \$287 % \$9 % Bds 1997 - \$29 % \$11.2% Bds 1993 (Br\$5000) - \$98% 7% (25My89)

Sterling Issues by Overseas Borrowers

No. of bargains included 22 Asian Development Bank 101/5. Ln S& 2009(Reg) - £98% 2009(Reg) - 598%
Australa(Commonwealth of)95% Ln Stat
2012/Reg) - 59% % 90 (31My99)
11% Ln Stat 2015(Reg) - 5165%
Bank of Grecos 10 % Ln Stat 2016(Reg) 592% (30My89)
Carrose Centrale De Cooperation Scon
121% Qtf Ln Stat 2013(Reg) 5115 % Q Li 15 % 40 Laiseo Nationale Des Autoroutes 16% Gtd Lin Stk 2006 – £139%

Credit Foncier De France 101-15/GtdSerLnStk2011,12,13,14(Reg) - £97 \ 10'-°-GraSerLnStr.2011,12,13,14(Br) -£984 (26My89)

Credit National 1311% Gtd Nto 1993(Br) - 2103% (261/y89)
Denmark(Kingdom of) 13% Ln Sek 2005 - 2115% (301/y89)
Electropie de France 129% Gtd Ln Sek 2008/Reg) - 2115% (301 Sek 2008/Reg) - 2115% (311/y89)
Electropie (act Ser Ln Sek 2009/12(Reg) - 2111% (311/y89)

2111 s (31Myd9) uropoen investment Bank 9% Ln Stk 2001 (Req) – £88% % (31My89) 95% Ln Stk 2009 – £93% % % (31My89) (31Myas) 104% Ln Stk 2004(Reg) – **29**9 % % 11% Ln Stk 2002(Reg) - £103% (30My83) Finland(Republic of)114% Ln Stk 2009(Reg) - £107 % Hydro-Quebec 15% Ln Stk 2011 - £131%

£1231, (24W/89) Intor-Amonican Dovelopment Bank 9 %% Ln Str 2015 – £933/-Ø inematican Bank for Rec & Dev 11 5% Ln Sik 2003 – £1057-, 6°, (31M/89) reland 12°-% Ln Sik 2008(Reg) – £112% New Zeeland 11°% Sik 2008(Reg) –

E182": 5.3

110% Six 2014(Reg) — £105 %

Nove Sconal(Province of) 11 % Ln Six 2019 - £107% (31My89)

16% Ln Six 2011 - £148Ø

Pertugal(Rep of) 9% Ln Six 2016(Reg) - £22%

282% Spanikingdom off11% Ln St 2010(Reg) - £107 % Sweden(Kngdom of)9% Ln St 2014(Reg) - £92% % 13.5% Ln St 2010(Reg) - £124% (SAL-86)

(25My89) Trinded & Tobsgo(Republic of) 12"4". Lit Six 2009(Reg) – £97 (31 My89) United Mexican States 16"; "L Lit Six 2008(Reg) – £114", 5 (31 My89)

Banks and Discount

Companies of pargains included 1001 Ansbacherthemyphigs PLC 8% Chy Subord Ln Sh 1998 - 580 (30My69) Burchys PLC ADR (4:1) - £18.18 (31My69) Burchys Bank PLC 71/% Uns Cap Ln Sk 86-91 - 590 8:-% Uns Cap Ln Sk 86/93 - £97.8% 12% Uns Cap Ln Sk 86/93 - £97.8%

31My89) (6% Una Cap Lri Sai 2002/07 - £129% **30 Barings PLC 6** Cum 2nd Prf £1 - 92 Co-Operative Bank PLC 8.48** Cum Red Prf 2013 £1 ~ 99 ½ ½ ½ ½ 108‡ 6‡ (30N/y89) ambros PLC7.5% Cum Cnv Red Pri £1 -

77's 8 5's 4' Actand Bank PLC7": "Subord Uns Ln Sin 80/93 - 198 (29My99) 10% "Subord Uns Ln Six 83/98 - 199 4% Subord Una Ln Str. 2002/07 -

etmenster Bank PLCADA (3.1) National Westmarster Bank PLGADH (3.1) - 118.16 (30My69) 7% Cum Pri 11 - 71 9% Subord Uns Ln Stk. 1993 - 189 90 1

2 12%% Subord Uns Ln Stk 2004 = £109%**®** I Bank of Scotland Group PLC511%

Royal Bank of Scotland Group PLC5*** Cum Pri £1 ~ 54*? Schröders PLC8*** Una Ln Sti 97/2002 - 104** nd Chartered PLC 12% Subord Standard Charlered Pt.C 12** Support
Umy Ln Six 2002077 - C105*1
158 Group Pt.C 10*** Subord Ln Six
2008 - IS3***, * *** *** **
158 Nat Samuel Bank 1** **
158 Nat Samuel Bank 1**
158 Nat Sa

Breweries and Distilleries Allied-Lyons PLC7% Cum Prf £1 - 72 (26My89) 3", Red Deb St. 85/90 - £83 (31My89) Casthury Schweppes PLC3%% Cum 1st Prf 8th 21 - 700 8t% 1st Mrg Deb Sit 88/83 - 292%0 9th 1st Mrg Deb Sit 88/83 - 292%0 Canadian Overs Pack Industr Ld Com Nov - 290 (25My89) Captro Industries PLC 8p Dividend Cre Cum Red Prf 20p - 160 (30My89) 8.75p Dividend Cre Cum Red Prf 20p -155 (30My89)

Cum read PT 20p = 160 Soleysesy 8.75p Dividend Care Read Pri 20p = 155 (30My89) Carco Engineering Group PLC 10%% Cum Read Pri 21 = 105 (31My89) Catempliar inc Shs of Com Sik \$1 = £28% 40 (31My89) Centerway Trust PLC 11% Cum Pri 21 = 102 (26My89) Channel Trust Increaments Pl G.50 = 154 102 (28My89) Channel Tunnel Investments PLC5p - 154

6 Charringtons Industrial Hidge Ld 104%, Uns Ln Stk 93/96 - £97 (25My69) Charter Consolitated PLC 2p(Sr) (Cpn 46) - 511 (31My69) Clyde Blowers PLC Ord 25p ~ 435 (30My89) Coats Pations PLG4%% Una Lin Sik

2002/07 - 250 (30My69) 6%% Ums Ln Sik 2002/07 - 285% & 7%% Ums Ln Sik 90/95 - 283 Costs Viyelia PLC4.9% Cum Prf 21 - 58 (31Mv88) Coets Viyella PLC4.9% Cum Pri 21 - 58 (3114)/99]
Cohen(A.) & Co PLCNorLV "A" Ord 20p - 210 Color (Group PLC9p Cum Red Pri 2006 10p - 97% (3014)/99)
Community Hospitals Group PLCNew Ord 21 (Fpri.A-2316/39) - 200 200 2 2 3 Cooper (Frederick) PLC8.5p (Net) Criv Red Cum Prig Pri 10p - 95
Courtesids PLC7% Deb Str 86/94 - 265% % 6% (3014)/89)
55/% (His Lin Str 46/96 - 673 (2884)/499

285% % 6% (30M)69)
5%% Uns Ln Sk 9496 - £73 (26M)69)
6%% Uns Ln Sk 9496 - £77 (26M)69)
6%% Uns Ln Sk 9496 - 277
7%% Uns Ln Sk 9496 - 280 1 2%
7%% Uns Ln Sk 200005 - £78% 9
ours(Furnishers) PLC7.7% Cum PY 21
- 64 (26M)69)
7%states Hdgs PLC6%% Cnv Uns Ln
Sk 2003 - 283 Stk 2003 - 283 Cullen's Hidgs PLCWernants to sub for Ord - 8 (30M/68) DRIG PLC78/% Unit Lin Sitk 88/91 - 288 Dudgety PLC4.65% Cum Prf 21 - 68 Duvies & Metcalle PLC*A*(Non.V)Ord 10p - 225 7 8 30 2‡ Debenhams PLC74/% Uns Lin Sitk 2002/07

Debenhame PLC7 x x 2550 - 2550 7 x % Une Ln St. 2002/07 - 278 1My89) cora PLC 6.25% Cum Chy Red Pri 21

Denocra PLC 8.25% Cura Chy Red Pri 21

- 150 50 1

Devhurst PLC Ord 10p - 87 (29My89)

Dickie (James) PLC Drift 25p - 1509

Diploma PLC 101% Una Ln Sik 90/95 - 250 (39My89)

Dominion international Group PLC

Warrants to sub for Ord - 0%-9

Consider Tyson PLC 7% Chy Cura Red Pri
£1 - 135 6

Dwyer PLC 7.25% Chy Cura Red Pri
£1 - 135 6

Dwyer PLC 7.25% Chy Cura Red Pri £1

(FpPAL-8(848) - 105% (30My89) (Fp/PAL-6/6/88) - 105% (SOMy89) Dyson(La J.) PLG75% Criv Uris Lin Sitk 87/92 - 2140 (311/6/69) Egerton Trust PLC9.75% 1st Cum Red Pri Egerton Trust PLC9:75% 1st Cum Red Pr £1 - 94% (30My69) 58008(3) PLC7% Cnv Cum Red Prf £1 -110

110
Elys(Wimbledon) PLCOrd 25p = 900
(30My89)
English China Clays PLCADR (3:1) = \$22½ (31My89)
European Horse Products PLC8W% Cum
Red Pri 2001/05 \$1 = 95
5.5½ Crv Cum Red Pri 2006/11 \$1 = 74
5.211My89) 5 (31My69) sroumed PLC/Eurotumed SA Units (Br) — 210.77 10.925 10.975 Units (Sicovern InsertBed) — 210.81 10.94 10.96 FR114 % .8 5 6 6 % 7 %

.be Warrants (Br) ~ 20.455 (30My69) ared Holdings PLC 3.85% Cum Prf £1 ~ 55 (31 My89) Evode Group PLC7p (Net) Criv Cum Red 10p – 101 nds PLCNew 10p (Fp/PAL-9/6/89) – 1% (31My89) arrants to sub for She – 67 (31My89) dibur Group PLC 11.5% Cum Pri 21 – 1166
Fenner (J.H.) (Holdings) PLC3.85% Cuss
Pri 17 - 51
Ferrard International Signal PLC5.6% 1st
Cuss Pri 17 - 75
Febrer(Albert)Group PLCADR (10:1) -

Neis (10:1) State (31 Mys9) kzwikon PLC6X% Cum Pri FR1 – 120.6 Pitzwisten PLC-65/% Cust Pri sisci ~ 200. (26M/98) Folkes Group PLC-Ord Sp ~ 59% 60 Forminister PLC-11% Cust Pri £1 ~ 113 Foseco PLC-44/% Cust Pri £1 ~ 60

(31Myd9)
Friendly House PLC4%% Che Cum Red
Pri £1 = 103
5% Che Cum Red Pri £1 = 177
7% Che Cum Red Pri £1 = 114%
(31Myd9) (31 Myse) (KN (United Kingdom) PLC7%% Gtd Deb Sit 87/92 - 291 (30 Mys) 10%% Gtd Deb Sit 90/95 - 298%

(30My89) Inneral Bectric Co PLC7%% Una Ln Sét 87/92 - 235 7%% Una Ln Sét 88/93 - 287 % Instance Hidgs PLC Ord Cap 25p - 290 Gestetner Hoogs PLANS 19095 - £151 (284)489 10% CAN Lins Lin Sit 90/95 - £151 Glaus Group Ld8% Uns Lin Sit 85/95 50p - 38 (3144)489 74% Uns Lin Sit 85/85 50p - 40% £114469)

(31My89) Skyrnwed kniemational PLC7%% Deb Sk 89/94 - 282 (31My89) 10/4% Lins Ln Stk 94/99 - 299 10%% Unp Lt June 1 (31My69) (31My69) Goodwin PLC Ord 10p - 57 (31My69) Grand Metropolitan PLC61X% Cum Prt £1 - 62 (25My89)

5.75% Crv Uns Lr Sik 1989 400p - \$27 30% 1 1 3 5 8 7 5.75% CULS 1989 400p (200p Pby PD()Reg - 529 Greet Universal Stores PLC5%% Red Uns Lr Sik - 248 31% Uns Lr Sik 93/88 - 282© Guif & Western Industries,inc Com Sik \$1 - 554-96 8 % Uns Lr Sit 93/85 - 1829 Guif & Western Industries, inc Com Sit \$1 - \$54.99 Hewker Siddeley Group PLC5 % Cum Pri £1 - 54 (31 My69) 71% Deb Sit 87/92 - £88 (30 My69) Higg & Hill PLC7% Cum Pri £1 - 85 (31 My69) High Gosforth Park PLC Ord £1 - £42 (30 My89) Horizon Holdings PLC \$750 (Net) Crit P

(STANGES)
High Gosforth Park PLC Ord £1 - £42
(30My89)
High Gosforth Park PLC 0rd £1 - £42
(30My89)
Hodgson Holdings PLC 8.75p (Net) Crev Pr1
5p ~ 850
Pusse of Frasser PLC6% Une Lin Sik 93/98
- £76 (31My89)
8% Une Lin Sik 93/98 - £84%
Howard & Wyndham PLC 18% Une Lin Sik 7691 - £37 (30My89)
Hunding Associated Industries PLC9%**
Crev Ures Lin Six 93/96 - £345
Mit PLC57% Une Lin Six 20/06 - £53%
(30My85)
Icetand Friczen Foode Hidgs PLCCrev Cure Red Pr1 20p - 106 6 % 7 7
Imperial Chemical Industries PLC7 Tw
Ures Lin Six 68/91 - £33 4
87% Une Lin Six 68/91 - £33 6
Jecon(W. & R.) PLC65/** Cure Pr1 Mz1 - £30My89)
Johnson & Firth Brown PLC11.05% Cure
Pr1 £1 - 117 (30My89)
Johnson & Firth Brown PLC11.05% Cure
Pr1 £1 - 117 (30My89)
Johnson & Firth Brown PLC11.05% Cure
Pr1 £1 - 117 (30My89)
Johnson Matthrey PLC5/** Neg Date Six 65/95 - £37 (30My89)
Juliana is Hidge PLC7/** Crev Ures Lin Six 2000/02 - £70 (25My89)
ULP Group PLCCure Crev Red Pr1 10p - 48 (23My89)
Kerning Motor Group PLC5/** Cure Pr1
£1 - \$4 (25My89)
Kerning Motor Group PLC5/** Cure Pr1
£1 - \$4 (25My89)

82 (314/y89)
Kerning Motor Group PLC5%% Cum Prf
E1 - 54 (25/4/y89)
Keppel Corporation Ld Ord \$\$ 1 - \$\$4.28 (31My89)
Ledbroke Group PLC 8% Ord Une Ln S8k
96/92 - 289 90% (2844y89)
Ledbroke Hotels Ld 105 % 1st Mtg Deb
Stx 94/99 - 299 (28/4/98)
Lamont Hidge PLC 10% 3rd Cum Prf E1 105 (284y89)
Laporte PLC 10% 10eb S8k 94/99 - 295
(204y89) (30My89) Lathem(James) PLC 8% Cum Pri 21 - 85 (26My89) Lammuampus PLC 8% Cum Pri Ct - 65
(25M-969)
Listaure Investments PLC 7% Cum Crw
Rad Pri (SU88) 21 - 90
Lawis John/Partnership PLC 5% Cum Pri
Six 21 - 49 (31M-969)
7% Cum Pri Six 11 - 70 (31M-969)
Life Sciences International PLC 8% Cum
Crw Red Pri 11 - 185 9
Lister & Co PLC 5% Pri(Cum)21 - 50
(31M-969)
Lloyst F.H. H-bdys PLC 7% % Uns Ln Six
81/91 - 285 (26M-969)
Llockneed Corporation Six of Com Six \$1
- 348%
Corubo PLC ADR (1:1) - \$4.32 (20M-969)

- 34831 Orumo PLCADR (1:1) = \$4.32 (30My89) 735 = 1st Mig Deb Sik 86/81 - 287% (26My89) Low(Wm) & Co PLC 8.75% Cum Cmv Red Low(Wm) & Co PLC6.75% Cum Crw Red Pri £1 - 135 6 Lows(Robert H.) & Co PLC67.5% (Neg Crw Cum Red Pri 10p - 92 3V, (31M/99) Lucae Industries PLC104% Una La Sak 9297 - 198 Lyon & Lyon PLC0rd 25p - 325 MB Group PLC0rd 25p - 198 9 200 1 2 2 3.784 5

CS6
Survisional Investments PLC 15% Unit Lin
Str 2007/12 - £110 1 (31My88)
Burton Croux PLC 8% Unit Lin Six 98/2003
- £79 (31My89)
9° **\$ Unit Lin Six 98/2003 - £85
(31My89)
8% Criv Unit Lin Six 1996/2001 - £96 7
8 McAlpro(Alfred) PLC9% Gum Pri S1 - 95 Macarthy PLC5%% "B" Gum Red Pri S1 -66 (26My69) Macarthy PLCS%% TB Gurn Red Pri £1 - 68 (264/95)
McCarthy & Stone PLC7% Crv Uns Ln Sk 9904 - 198
Manganes Bronze Hidgs PLC8%% Cum Pri £1 - 70 (304/95)
Marshalls PLC 10% Cum Pri £1 - 109 (304/95)
Mecca Letture Group PLC7.25p (Nat) Crv tim's Ld8% 2nd Mig Deb Sik 92/97 -Butter's Ld8% 2nd Mig Deb Sax 12737 -C84 CMB Peckaging S.A. FF15 - 283 (83% Now FF15 (374 1989 Drv Rog) - 57 57 57 % 57% 57 55 57,745 57% 58% CRIH PLC7" - "A" Curn Pril In21 - 120 535 p 40 (30My69)

Cum Red Prf 20p - 95 5 % 6 11.5% Deb Sik 2011 - 2102 (29My69) loneanto PLC5% Ged Ln Sik 92/97 -2500 NSM PLC8.5p (Net) Gre Cum Red Pri 10p - 112 3
News International PLC8% 2nd Cura Pri 27 - 78 (20My69)
Normans Group PLC8% Cmv Uns Lin Sik 98/4 - 21020
Northern Engineering Industries PLC3% Cura Red Pri 21 - 4399
8% Uns Lin Sik 68/93 - 236 (28My69) 9% Uns Lin Sik 68/93 - 236 (28My69) 9% Uns Lin Sik 68/93 - 238 Northern Foods PLC7% Data Sik 85/90 - 5/88 Oceanics Group PLCWarrants to sub for Ord = 18 (50M)489)

Cum Red Pri 2010/13 21 - 91% (SMMyd9)

75 Curn Crow Red Pri 21 = 390
Paterson Zochords PLG77% Curn Pri 21 = 895 (26My69)
Pavillon Latiture Hidge PLCOnd 190 = 175
Pegrson PLC5.575% Una Ln Six 8893 = 270 (30My89) 6.976% Una Lii Sik 88/88 - 275 (30M/489) 8.25% Uns Ln Sik 88/93 ~ 285 6 (30My98) 8.525% Uns Lo 9tk 8893 - 2861

(30My89)
Pentos PLC 13%% Cnv Uma Ln Sak
1990 Senter*A") — \$120
Pergamon AGB PLC 7.5p Cnv Subord Ln
Stx 2002 2½p — 53 (30My89)
Plessey Co PLC 7½% Deb Six 32/97 —
2824 2020 Poly Peck International PLC 9% Curn Criv Red Pri 21 – 120 (2114)(8); Porter Chadburn PLC 8% Criv Curn Red Pri 1932 21 – 145 Powerscreen International PLC 13% Criv Uns Ln Ski 1995 – 2700 (2004)(69) Queene Moat Houses PLC 10% % 1st Mig Dab Sti 2020 – 222% (2714)(99) New 10% % 169MtgDebSis 2020

- 140% W REALHOGO PLC9% Cum Pri 21 - 82 RPH Ld4% Uns La Sik 200408 - 240 9% Uns Ln Sik 99/2004 - 250 Racel-Chubb Ld8% Uns Ln Sik 87/82 -

(25Myss) 8.25p Cav Cum Non-Vig Rad Pri 20p = 96 8 9 9 % Icidii & Colman PLC5% Cum Pri £1 = 47 (30My89) Relyon Group PLC7%% Una Ln 3tk 86/81 Peryon Group PLC 7 W Unit Lift St. Sole?

- 259 (31My83)
Rivoli Cinemas PLC 50p - 236; 8;
Rockware Group PLC 7.25% Cnr Cun
Red 2nd Prf 21 - 94 (28My83)
8% Unit Lift St. 95/99 - 276 (31My83)
Rugby Group PLC 9% Unit Lift St. 53/96 277 3% 5% 6 W Unit Lift St. 53/96 -

£71 3% 5% 8 % Russell(Alexander) PLC5.75% Cum Criv Red Pri - 70 S & U Stores PLC6.Werrants to sub for Ord - 40 (30M-989) SD-Scieon PLC6.5% Criv Cum Red Pri £1 - 129 (31h · 129 (31 My69) Yerrants to sub for Ord - 13 Aphi & Saetchi Co PLCADR (3:1) -59.78 B% Cnv Une Ln Stk 2015 - 275%

(26%)58) ninsbury(J) PLCADR (1:1) - \$3.86 75% 1st Mig Dab Sik 87/92 - 287 MySB) erson Murray&Elder(Hidgs) PLCOrd 50p - 230 Scantronic Hidga PLC7.25p (Not) Crv Cum Red Pri 20p - 122 (30My69) Sears PLC7% "A" Cum Pri 21 - 70 (28Myss)
73% Uns Ln Sst 92/97 – 278 (31Myss)
Switch Engineering Group PLC9.6% Uns
Ln Sst 91/96 – 291½
Servomes PLCOrd 5p – 150
Sheffield Insulations Group PLCOrd 10p –

142 Sidlar Group PLC 7%% Une Ln Sik 2003/08 - 270% (25My89) Simon Engineering PLC 6% Cum Prf 21 -55© 7.75% Cum Red Prf 92/87 £1 - 85 7.75% Curt Red Pri 52/97 £1 - 85
(30My89)
600 Group PLC5%% Urts Ln Sit 87/92 - 289 (28My89)
Smith (W.H.) Group PLC*B* Ord 10p - 62
(30My89)
74% Red Urts Ln Sit 88/83 - 284%
Smiths Industries PLC11 ½% Deb Sit
95/200 - £100 (31My89)
Smurftt/sefferson/Group PLC9%% Cnv
Urts Ln Nts - £145 £170
Sommerville(William) & Son PLCOrd 25p - 720 (30My89)

214% Spong Hidge PLC Cnv Cum Red Pri 20p -48% 50 (26Myes) 7% Cnv Cum Red Pri 21 - 63 70 (26Myes) Stead & Simpson PLC Ord 25p - 218% (30kly89) Acrehouse PLC8% Crw Uns Lii Stk 1992 - £114 Sutclife,Speakmen PLC9%% Red Cum Pri £1 - 103 (25kly89)

Pri 21 - 103 (25My99) Swani,John & Sons PLCOrd 25p ~ 570 (30My99) Symonda Engineering PLCOrd 5p - 41 (31My99) T & N PLC111Ky, Meg Deb Str 95/2000 -1 & N PLL 11 XY BING DIES SIN 857/82 ~ 291 X 2 X (2584/69) 2 X (2584/69) 3 X X Une Ln Six 90/95 ~ 287 (2584/69) Tate & Lyle PLC 8/X Cum Pri Six E1 ~ 22 Y254-600 02 (20Mydd) 7%% Deb Stk 89/94 - £87% 8% (28My99) 8th 2003/08 - £70
Taylor Woodrow PLC95% 1ethingDebSth 2014£30Pd-156/88) - £24%
Telfos Hidge PLC Warmants to sub for Ord - 123

- 123 Tesco PLC4% Uns Deep Disc Ln Str 2006 - 245% THORNEM PLCADR (1:1) - \$11.09 (26My69) TBing(Thomas) PLC5.29% Cum Pri £1 = 8%% Uns Ln Sik 89/94 - 296%

(25My89) Towles PLC"A" Non.V.Ord 10p - 80 Trainigar House PLC7% Uns Deb Six 11 - 52 5% Ums Ln Sek 9499 - 253 (31My89) 9%% Ums Ln Sek 2000/05 - 258%® 10 k% Ums Ln Stk 2001/06 - 298% (31My69) 'ransport Development Group PLC8%'s Unis Lin Six 83/98 - £90 (31My69) 'russhouse Forte PLCWarronss to sub for Ord - 1180 7.25% 1st Mig Deb Six 88/91 - £98 CVINA-99 (2004)69) 10.5% Mtg Deb Stk 91/96 – 2994 9.1% Uns Ln Stk 95/2000 – 293% (25Myss) 6%% Una Ln Sek 91/98 - 1270 8 Milliawar PLCADR (4:1) - 134.49885 5%% Una Ln Sik 91/2006 - 150

(2(34)499) 8% Uns La Sik 91/2005 - 279 80 % 1 nion Interrupional Co PLC6% Cum Pri 8% Uns Le Six 91/2006 - E79 80 % 1 Union Interresional CO PLC6% Cum Pri Six 21 - 68 71 7% Cum Pri Six 21 - 77% C9My89) Uninys Corp Com Six 35 - 328.20 Uninys Corp Com Six 35 - 328.20 Uninys Corp Com Six 35 - 328.20 United Biscuits/Hidgs) PLC 8% Deb Six 33/88 - 282 United Scientific Hidgs PLC 5/% Cnv Cum Non-Yop Red Pri 21 - 73 Uptow(E) & Sons PLC Ont 25p - 85 (31My89) Victors PLC 5% CumTax Free To 30x9Pri Victors PLC 5% CumTax Free To 30x9Pri (31 My69) Victors PLC 5% Cum(Tax Free To 30p)Pri

Six £1 - 70 | 1 WCRS Group PLC55% Cnv Cum Red Pri 1999 10p - 108 (30My89) Wagon Industrial Hidgs PLC7.25p (Net) Cnv Prip Pri 10p - 120 Walter & Staff Hidgs PLCOrd 5p - 1880 Watter(Thomas) PLCOrd 5p - 72 C004/95) Sex £1 - 70 1 (30My89) Group PLCADR (3:1) - \$14% Warner Holldays Ld8% Cum Pri 21 - 60 (20My89) Waterford Glass/White Wedgwood PLC Lints (1 WFG Ord in20.05 & 1 WFW Inc.

~ 75 8
Waverley Comeron PLC7.5p (Net) Cnv
Cum Red Pri 5p - 92 (31 My89)
Westerly PLC11% Cum Pri 21 ~ 102 [3116] njesy) nd Group PLCWarrants to sub for

Ord - 53 4
75% Criv Cum Pri 51 - 1830
75% Criv Cum Pri 51 - 1830
76% Criv Cum Pri 51 - 58
(30My89)
788 Hidgs PLC 10% Cum Pri 51 115 (26My89) Financial Trusts, Land, etc. No. of bargains included 497 Aithen Hume International PLC 7% (Net) Crev Curn Red Pri 21 – 98 (25My89) Armour Trust PLC 10%% Uns Ln Sik 91/96 - 291
Authority investments PLC8%, Cnv Uns Ln
Stx 206/11 - 2110 2 5 (30M,69)
Buille Ginord Technology PLC Warrante to
sub for Ord - 13 (51M/69)
Britzmid Remov Hidge PLC6%%, Cure Pri
21 - 84 z.i = 54 ntish & Commonweelth Hidge PLC 10%% Uns Ln Sek 2012 - 280% ,825 % 1 % %

Una Lri Sit 2012 - 280% 225 % 1 % % Ord St - 143 5 Daily Mail & General Trust PLC Ord 50p - 280 % % (31My89) F & C Enterprise Trust PLC Ser & Werrants to sub for Ord - 8 (30My89) Werrants to sub for Ord - 18 (20My89) First National Finance Corp PLC 10% Subord Una Lri Sit 1992 - 253% Foreign 8 Cd Reservé Asset Fund Ld PhyRedPri 30.05 - 25.89 G.T. Asia(Sterfing) Fund Ld PhyRedPri 30.05 - 25.89 G.T. Asia(Sterfing) Fund Ld PhyRed Pri 1p - 211.86 (30My89) Greco Fund Ld Sins \$0.01 (IDRs to Br) - \$800 (28My89) Galances Filiph Global Strategy Fd PhyRed Pri 50.01(Managed Currency Fund) - 122.1502

(SGN/y85) Inti Stock Exchange of UK&Rep of IrLd 71% Mtg Deb Sik 90/95 - 220 (31M/98) Nory & Sime Allis Fund Shs of NPV(Global Capital Portfolio) - \$2.177

NPV(Global Capital Porcoun) = 3c.17 (304)45 Koree-Europe Fund LdShs \$0.10 - \$53 Station to Br) \$0.10 (Cpn 2) = \$26875 (31M)499 Lt? Holdings PLC9.47% Cum Red Pr) \$1 - 9499
Mezzanine Capitalisino 1st 2001 PLCino She 21 - 187
RMC Group PLC Warranis to sub for Shs - 105 (30kly69) - 105 (30MySS) stional Home Loans Hidge PLCOrd 15p - 100 2 4% 6

reacrose name Loans mage PLCOrd 159

- 100 24 5 6

7.5% Crv Pri 21 - 90% 1 ½ 2 2

Oporte Growth Rund Ld Ptg Red Pri \$0.01

(Red) - \$10% (\$00\text{MgS}) - \$10% 9

Prediced Investment Co PLCOrd 10p - 98

Royal Trust Government Scac Fund Ld Ptg
Red Pri (p - 63.24 (\$00\text{MgS}))

Smith New Court PLC 12% Subord Une Ln

Six 2001 - 19.49

Strate Investments PLC Warrants to sub

for Ord - 46 (\$10\text{MgS})

TR Worldwide Strategy Fund SleavSits

NPV (Music-Currency Bond Fund)
116.54 (\$10\text{MgS}) NPV (Augo-Currency cond runu) = 118.54 (31M)93)
758 Get Fund Ld Pro Red Pri 1p(Cass*A* Prig Red Pri) = 98.23 (30M)93)
The investment Fund Ld Ptg Red Ptd \$0.01 = \$9% Trailand international Fund Ld Pig Shs \$0.01 (IDA's to Br) - \$13% Thompson Cive investments PLCOrd St - 138 estments PLCOrd 50p on Pacific investment Fund SA21 -

210.24 (31My69) 31 PLC71/4" A" Deb Sik 89/92 - 255% (31My69) 7%% "A" Deb Stk 91/94 - 264 7% (25My69)
9% "A" Deb Sik 91/94 — £91 (31My69)
12/5% Uns Lin Sik 1992 — £100%40
Value & Income Trust PLCWarrants 89/94
to sub for Ord — 20 (30My69)
Vanbrugh Currency Fund Ld Ptpg "A" Red
Pri 1p — 177% (30My69)

No. of bargains included 579 Alexander & Alexander Services IncShts of Class C Com Sit \$1 - \$16 (31My69) Commercial Union Assurance Co PLC5% Clan Red Prt 89/2009 £1 - 55 General Act Pre&Life Assc Corp PLC 77% Una Ln Sit 87/82 - 287% (30Aly66) 7%% Uns Lin Sik 92/97 – 287

Guerdan RoyalExchange AssurancePLC 7% Cust Red Prf E1 ~ 80 (26M/98) 7% Una Ln Sk. 68/91 ~ 288 % 9 Standard Life Assurance Co 5% Perp Sik. Investment Trusts

Abtrust New Dawn Inv Trust PLCOrd 25p - 102 - 102
Warrants to sub for Ord - 53 3
(31kly69)
Alliance Trust PLC4%% Pri Sik (Cum) £8 (31kly69)
Barliers investment Trust PLC4% Perp
Deb Sik - £39% (25kly69)
British Assets Trust PLCEquities Index
ULS 2005 10p - 108% (25kly69)
Ritish Parpins See E. General Trust 40klet U.S. 2005 10p - 108½ (29M/98) British Empire See & General Trust 10%% Deb Sik 2011 - 292½ (30M/98) British kiwestment Trust PLC5%% Pri Stictum) - 281 Capital Gearing Trust PLCOrd 25p - 805

Ord inc 59 - 54%
Dense investment Trust PLCWts to Subscribe for 1 inc 8.1 Cap - 82
Drayton Controlledsted Trust PLC3.5%
Cum Prf Sit - 258 (25M/85)
5% Control Trust PLC 117%
Deb Sit 2014 - 2105/49
Edensel investment Trust PLC Trust PLC 72 (31M/85)
F.S. C. Pacific investment Trust PLC
Warrants to sub for Ord - 105
Fifth Throgenorion Co PLC 725% Car Una
Ln Sit 2003 - 2101 (20M/85)
Frat Scottish American Trust PLC 11.5%
Deb Sit 2016 - 21024 3%
First Spanish far Trust PLC Warrants to sub for Ord - 33
Flaming High Income for Trust PLC
Warrants 1 in thorone for Trust PLC

First Spanish Inv Trust PLC Warrants to sub for Ord - 33
Flaming High Income inv Trust PLC Warrants to sub for Ord - 28
Flaming Marcandile Inv Trust PLC4 1/2.
Perp Deb Sitk - £42 (26M/959)
Foreign & Col Invest Trust PLC4 1/2.
Perp Deb Sitk - £42 (26M/959)
Foreign & Col Invest Trust PLC4 1/2.
Perp Deb Sitk - £42 (26M/959)
Foreign & Col Invest Trust PLC 1/2.
Para Tr

sub for Ord - 10%
Slobe Investment Trust PLC 10% Deb Sik
2016 - 233 % %
11 % Chri Line Ln Sik 90/95 - 2405
Govett Sarstingte Inv Thust PLC 11 % Deb
Sik 2014 - 2.103% (2004/98)
Investors Capital Trust PLC5% % Gum Pri
Sik - 258 S1 14/969)
Investors Capital Trust PLC5% % Gum Pri
Sik - 258 S1 14/969)
Interestors Capital Trust PLC5% % Gum Pri
Sik - 258 S1 14/969
Interestors Capital Trust LdPtg Red
Pri 0.10 U.K. Active Fund - 10.27
(3004/969)
Pig Red Pri 0.10 U.K. Index Fund 10.17 (3004/969)
Pig Red Pri 0.10 U.K. Index Fund 12.25 (3114/969)
London & Si Lawrence Investment PLC
Ord 50 - 1030
Merchants Trust PLC4% Perp Deb Sik 235% (284/969)
Miterals Otla6Ales Site Fund Inc\$0.10 \$12.68 (3004/969)

innerals Ottophres one results of the State (30kg/85) factory international Trust PLC4% Deb Six - C39% (28Mg/85) lew Guerney Securities Trust LdOrd 25p ex. New Throgmorton Trust (1983) PLC Zero Cpn Deb Stk 1995 - \$34% (26My85) Olim Convenible Trust PLC Ord 25p -

Communication Trust PLC Ord 25p - 107%;
Zero Coupon Pri 2r - 100
Panida Group PLC Warrents to sub for Ord - 2 (31My89)
Rights and Issues Inv Trust PLC 7%%;
Cum Pri 21 - 67 (25My89)
Scottish Cities Inv Trust PLC Ord 5tk 25p - 689 90 (30My89)
Scottish Eastern Inv Trust PLC 4%% Cum Pri 5tk - 152 (25My89)
9% Deb 5tk 2500 - 190%; (31My89)
Scottish Investment Trust PLC 4% Perp Deb 5tk - 259%; (25My89)
4%% Perp Deb 5tk - 143%; (25My89)
5% Perp Deb 5tk - 143%; (25My89)
5% Perp Deb 5tk - 143%; (25My89)
Scottish Mortgage & Trust PLC 44% Irrd Deb 5tk - 244%; (25My89)
5-12% Stepped Bit Deb 5tk 2028 - 1103
Scottish Marienal Trust PL 45%

6-12% Stepped Int Deb Stk 2026 = 2103
Scottel National Trust PLC 10% Deb Stk 2011 - 124% (31My89)
Second Alliance Trust PLC 45% Cum Pri Stk - 253 (31My89) - 245% (28My89)
45% Deb Sak(1956) - 245% (28My89)
Scounties Trust of Scottend PLC 45% Cum Pri Stk - 248 (30My89)
Strices Investment PLC Warrants to sub for Ord - 58 (31My89)
Tithuran Investment Trust PLC 95% Deb Stk 2012 - 265% (30My89)
Updown Investment Co PLC Ord 25p - 375 (28My89)
Variage Secunities PLC Warrants to sub for Ord - 107 9 10 2 (30My89)
Wittan Investment Co PLC 95% Deb Stk 2016 - 281

Unit Trusts No. of bargains included 22

M & G.Gold & General Funding Units -40% Accum Units - 43.9 (26My89) 4. G. International Income Rundinc Units Mines - Miscellaneous No. of bargains included 159 neigenated Financial Inve PLCWarrents to sub for Sha - 4% nglo United PLCCnv Red Prf 10p - 85 nglo United PLCCnv Red Prf 10p - 85

to sub for Std. - 4%
Angio United PLC Chv Raid Prf 10p - 85
Bisichi Mining PLC 10p - \$2 (28My89)
Botswara RST Ld Pu2 - 20%
De Beers Consolidated Mines Ld 40%
Com Prf RS (84) (Cpn 160) - 300 50
(25My89)
Did Ro. 05(94) (Cpn 83) - \$141/4

El Cro Mining&Exploration Co PLC Ord
10p - 381 5 El Oro Mining Absploration co Publication 2915
Europa Minerals Group PLC Ord 2p - 110
Miningura Copper Mines Ld Ord 5th, \$21 8 9 (25My/95)
RTZ Corporation PLC 3.325% "A" Cust Pff 51 - 45 3.5% "B" Cum Pri £1(Reg) - 50 Wassahby's Consolidated PLCPId 1p -Willoughby's Consolidated PLCPId 1p -60 3 (26My69) Zamble Consolidated Copper Mines Ld B' Ord K10 - 90 5 (26My89)

Mines - South African

Mines — SOUTH AIRCAII
No. of bargains included 49
Barnato Exploration Ld Ord FIG.01 — 48
Coronation Syndicate Ld Rd.25 — 18
(31My89)
General Minerg Union Corporations.5%
Var Comp City Cart Pri R0.40 — 210%
12.9% Unio Suberd Comp City
Debugro, Prizar — 210
Lebowe Pistanum Mines Ld Ord R0.01 —
100 (31My89)
Ledum Reals Gold Mining Co Ld Ord
R0.01 — 22
Cryx Gold Holdings Ld Ord Shs of NPV —
110 (25My89)
Trans-Natel Coal Corp Ld R0.50 — 90 My89) tel Cost Corp Ld R0.50 - 90 (30My88) Western Deep Levels ±d Option to Sub for Ord - 25 (30My89)

Oil No. of bergains included 1627 British Petroleum Co PLC Ord 25p(Inter Certs) - 288 9 % , 7895 80 90 29 9% Gum 2nd Prf £1 - 68 90 671My68 Burmah Oli PLC 71% Cum Red Prf Sik -71% 8% Cum Pri Stk 21 - 77 (26M)69) London & Scottsh Marine Of PLC 10%% London & Scotbah Marine CR PLC 10% Deb Sit 2009 - E93% % % Mobil Corp Sha of Corn Sik \$2 - \$52%

(Strikyes)
Shell Transport&TradingCo PLC Crd She
(2h) 25(Cph 182) - 406
55% 1et Pri(Cum)C1 - 54
Texts Eastern CorpCore Six \$3.50 \$5(W, (30My88)) Property No. of bargains included 676

led London Properties PLC 10%% 1st Mtg Deb Str. 2025 - 136% (31My88) New 10%% 1st Mtg Deb Str. 2025 -25576 81476 Cav Uns La Six 1989 - \$305 Pri 21 - 11699 Integn Estate PLC65% 1st Mitg Deb Sik 86,91 - 128 (28My69) 9% 1st Mitg Deb Sik 92/97 - 28549 9.50% 1st Mitg Deb Sik 2026 - 285% % (26My69) 11,76% 1st Mag Deb Sak 2018 - £105%

11,75% iss liting Deb Sik 2018 - 2105% (30M)689 (30M)689 (20M)689 (20M)689

9%
8%% Uns Ln Sik 92/97 - 286 K % 7
London & Schnburgh Trust PLC8%% 1st
Cum Red Pri 2013 21 - 92%
London&Prov Shop Centres(Hidgs/PLC
10% 1st Mig Deb Sik 2026 - 291%
(30sh/69)

Ld 3%% 1st Mtg Deb Stk(58/69) - £90 (26My69) 6¼% 1st Mtg Deb Sek 86/95 - £75 (28My69) London Securities PLC6%% Cum Prf £1 = 65 (28My69) London Shop Ld8%% Uns Ln Set 87/87 =

982 MEPC PLC43/16 Quai Pri Sik £1 - 42 (31My69) 9%% 1st Mtg Deb Sek 97/2002 – 294 k Ф 10%% 1st Mtg Deb Sek 2024 – 2100% 6% Uns Ln Sik 2000/05 - 276% %

Plantations No. of bargains included 11 Anglo-Eastern Plantations PLC Wernants to sub for Ord - 450 700 124% Uns Ln Skt 95/99 - 195 (30M/98) Chillegion Corporation PLC Dkd 25p - 86 (31M/98)

(31My69)
Warrants to sub for Ord — 40
9% Cum Red Pri £1 — 90 5
9% Cur Uns Ln Stk 1989 — £146
(30My89)
Dunlop Plantations L18% Cum Pri £1 — 82 Duniop Pientations LdPK Cure P1 E7 - 82 (31My88) Hidong Estate PLCOrd 10p - 100 20 (30My89) Jitra Rubber Pientations PLCStk 10p - 50 (30My89) Narborough Pientations PLCOrd 10p - 38 Ingapore Pera Rubber Estates PLCStk. 5p - S3Ф

Railways No. of bergains included? Calgary & Edmonton Relivery Co4% Cons Deb Stid(Gal by C.P.L.d)2002 - 240 (26My89) New Brunsylck Relivery CoPerp 4% Cons Deb Stid(int Gtd by C.P.) - 140 (2884y89) Toronto Grey & Bruce Relivery Co 4% 1st Mtg Bde (2883) (Cpn 211) - 240 (26My89)

Shipping No. of bargains included 229 Bergesen d-y AS'B' Non Vig Shs NKS - NK311 NKS114 NFC PLCVer Vtg Ord 5p - \$3.89 p 240 .758 1 .241 2 2 3 3 4 4 5 Peninsular & Orientel Steam Nav Co5% Cum Ptd Stx - 248 (30My69) Warrants to purchase 0td Stx - 190

Utilities No. of bargains included 26 American Information Techn. Corp Shs. of Com Sit, \$1 – \$58,9769 Benton Transport PLCDid 160p – 515 50 (31My88) GTE Corporation Corp Sit, \$0.10 – 233 Manchester Ship Canal CoS% Perp Pri 21 – £10 (30My88) innchester Ship Canal CoS% Perp Pri 1 - £10 (30M/69) 1st 31% Perp Mig Debe(Reg) - £30 4% Perp 1st Mig Debs(Reg) - £35 % 4% Perp 2nd Mig Debs(Reg) - £44 2564469)

(25M/y69) 31% Perp Deb Stk - £30 % 4% Perp Deb Stk - £40 (30M/y69) Marrany Docta & Harbour Co3%% Red Deb Stk 79/88 - £30 6%% Red Deb Stk 96/99 - £70 Pacific Gas & Electric CoSha of Corn Stk 55 - \$19% (26M/y69)

Water Works No. of bergains included 13 Bournemouth & District Water Co 3.5%(Finity 5%)Cons Ord Sax - £1695 2.6%(Finity 4%)Pri Sax - £1450 Brissol Waterworks Co3.5%(Finity 5%)Max Ord Six - £525 (30My98) 3.5%(Finity 5%)Cons Pri Six - £640 (SIMy89)
4% Perp Deb Stk - 244 (31My89)
4% Perp Deb Stk - 244 (31My89)
4% Perp Deb Stk - 244 (31My89)
Cambridge Water Co3.5%(Pmly 8%)Cons.
Ord Sik - 21350 (28My89)
Chester Waterworks Co4.2%(Fmly 6%
Max/Ord Sik - 21075 (28My89)
Coine Valley Water Co3.5%(Fmly 5%)Ord
Sik - 21075
74 7%(Fmly 10%)Ord Sik - 21075
(31My89)

28%(Faty #4)Cons Pri Stk - 21075 (25h)(59) (25h)(59) (50%, Rad Prt Sik (2294 – 295 (30M)(59) (50%, Rad Prt Sik (2294 – 295 (30M)(59) (40%, Perp Deb Sik(April & October) – (24 (31M)(59) (59), Perp Deb Sik(January & July) – 546 (59), Perp Deb Sik(January & July) – 546 (29%)559) East Surrey Water CoOrd "B" 8th 4.9%(Fmby 7%)Mex - £1475 (30%)68) 4.2%(Fmby 6%)Red Pri Str 95/80 - £88 (26My69) 7% Red Deb Stk 90/92 - £35 (26My69) 7% Red Deb Stk 91/93 - £35

(31 My69) East Worcestershire Waterworks Co 6.3%(Fmly 9%)Red Pri Sik 92/94 - 586

1996 - 190 (26My69) 4% Perp Deb Stk - 244 (31My69) 4% Perp Deb Stit. — 6/4 (314)/69)
terreastit & Gatesheed Wester CoShCoris Deb Stit. — 247 (284)/63)
Fortemouth Wester Co3.5%(Finity 5%)Ord
Stit. — 2100 (264)/69)
2.1%(Finity 3%)Perp Pri Stit. — 21025
(264)/69)
31/% Perp Deb Stit. — 2385/(3114)/69)
***Iclemansworth Wester Co3.5%(Finity
5%(Coris Ord Stit. — 21350 (264)/69)
2.5%(Finity 4%)Coris Pri Stit. — 250
(3114)/69)
2.5%(Finity 4%)Coris Pri Stit. — 250
(3114)/69) (31My89) 4% Mig Debs 07/28 las — 244 (31My89)

outh Staffordshire Waterworks Co 4,916(Fmby 715)Ord Six Class B - 2840 (30M/89) Jiton District Water Co 7%(Fmby 10%)Ord Sak - £1900‡ (31My89) 4,9%(Fraly 7%)Ord Sak - £1778 (30My89)

(30My69)
Tendring Hundred Waterearts Co4%%
Deb Sitt Red - 249% (31My69)
Wrednern & East Genb Water Co
4.9%(Frity 7%)Core Ord Sit - 21059
York Waterworks Co Core Ord Sit
4.9%(Frity 7% Max) - £1300

USM Appendix No. of bargains included more International PLCOrd 10p - 120

2 Capite Group PLCOrd 2p - 137 Cityvision PLC8.5%(Net) City Cure Red Pri 21 - 157 Darby Group PLCOrd 5p - 168 9 (30Ay69) Dewey Warren Hikkes by China (30Mytrs) Devery Werrien Hidge PLCVer Rate City Uns Lin Stk 1995 – 297 8 Dismond Group Holdings PLCCrd Sp – 89

90
Gibbon Lyons Group PLC7% Cum Cav
Red Pri E1 – 190 (28My98)
Gibbs Mew PLCOrd 25p – 298%
Great Southern Group PLC675p Cum Cav
Red Pri 5p – 959
Red Pri 5p – 959
Heavitres Bravery PLCOrd 10p – 117 20
Heavitres Bravery PLCOrd 25p – 210.5 2
10.7 (20My89)
"A" Lim Vig Ord 25p – ±10.3 2 19.55
(308y89)
Dex Heidings PLCOrd 10p – 174
(51My89)
Kunick PLC7p (Net) Cav Cum Red Pri 5p
- 131 Table Purple Cord 20p – 59 (25My63)
Bisidn Group PLC Ord 20p – 59 (25My63)
Perion International PLC5.25% Cum Pri
Six 21 – 25 (31My69)
Porth Group PLC Ord 5p – 103 7
Quarto Group IncStrs of Corn Six 30.16
(Rest. Transler)

8.75p(Net) CrryCurrFledSha of Pid Stk 121 (26My89) It Trust PLC7% Cure Cay Red Flandsworth Trust PLC7% Cura Circ result Pt 21 - 110
Pt 21 - 110
Savage Group PLC65% (Net) Cura Red Circ Pt 21 - 104
Selectiv PLCOrd 1p - 16% (31My89)
Total Systems PLCOrd 5p - 50 (28My89)
Vision Group PLCOrd 1p - 28 % 39 9
2 ** 4 20 30\$* Vistec Group PLCOrd 1p - 28 % % 9 9 % % 1 30 30\$
% % 1 30 30\$
Whyevete Gerden Centres PLC8.5% (Net)
Cre Cum Red Pri 21 - 139 45
% Tra-Vision PLCOrd 1:20.95 - E0.82 p 78
York Trust Group PLCRed Cum Cret Pri
20p - 90 (3084)89)

The Third Market Appendix Section term of PLC9% Red Cum PT E1 - 98 (28M/98) Stencorp Leisure PLCOrd 5p - 19 % 20 50encor % 1 Edinburg Edinburgh Hiberman PLCOrd 2p = 61 Malaya Group PLCOrd 10p - 43®

192 3 5 7 Poddington PLCOrd 5p - 86% 7 7 7‡ %‡ Rule 535(2) No. of barguins included 61 Airican Gold PLC Ord 1p - 20.12 0% Amatgamated Metal Corp PLC Ord 21 -£1.6 (26Nay69)

Ann Speat Brewerias Co LdOrd E1 = E10.3 (28M/68)
Barrington Menagement(Cl)international treams = 11.899
Berwick Group PLCOrd Sp = 20.385 0.37 0.37 0.37 0.37 125
Calbach LdOrd E1 = 24 (30M/68)
Cate-Geigy(Franctst Services) PLCSN%Croxing Group PLCOrd 25 = 2289
Croxing Group PLCOrd 25 = 20.19 0.21
(31M/68)
Deveson(William/Hdgs LdOrd 10p = 23.5
(31M/68)

- 20,04 Gliener PLCOrd S1 - S1 1 Gliener Explorations PLCOrd k20,02 1/2 - 50,48 p 39 (31kh)66) Greenster Hotels PLCOrd 10p - 20,68 Groenster Hotels PLC Ord 10p - 20.68
(31h)69)
Heristy Baird PLC Ord 5p - 20%
Jensings Bros Li Ord 25p - 23%
(26th)69)
Jersey Cerming Co L44% Cost Pri C1 - 20.33
Jersey New Waterworks Co L43% Cost Pri C5 - 21.7 (31th)68)
3% Cum 3d Pri C5 - 22.1 (25th)69)
2% Cum 4th Pri C5 - 20.14 (25th)69)
Le Richa's Stores LdOrd E1 - 23.8
(31th)69)

(\$1My69) Mild Britannia International Ld.Japan Income & Growth ~ \$2.253 (26My1 Memati Hidge PLCOrd 10p ~ \$1.88 cont.com

(30My89)
Newbury Recectora PLCOrd \$100 - £4500 (30My89)
North West Exploration PLCOrd \$0p - 35
Officer Resources PLCOrd (20,05 - £00% p
42% X; 3 X; X; 4; X; X; 4; 5;
Paramount PLCOrd 25p - £0,16 0,1625
(20My89)
Rigby Electronics Group PLCOrd 5p - £0,069 E0.06**
Seven Valley Railwey(Hidgs)PLCOrd £1 = £0.65 (25My69)
Seymours Ld 5% Carn Ptg Pri £1 = £0%
Shepherd Neome PLC'A* Ord £1 = £6%
6.8 (25My69)
Southern Newspapers PLCOrd £1 = £1.2

Southern Newspapers PLCOrd 25p - 29.55
3.3
Spencer(Aberdeen) PLCOrd 25p - 29.55
(2984)489)
Sun Oil Britain LdOil Royethy Str Units Tp
- 20.6
Terresitientic Hedge PLC Ptd Ord 50p 00 15 (2984)489) 23,15 (25My89)
Weetsbix Ld"A" Non,V Ord 25p - 25.4
Wynnstay Properties PLC25p - 21.45
(31My89) RUILE 535 (4) (a)

Bargains marked in securities where principle market is outside the UK and Republic of Ireland. Question has not been granted in London and dealings are not recorded in the Official List.

recorded in the Official List.

America Business Products £18.45 • C26/53
Ames Department Stores £16.14382 • C30/53
Amsol Exploration 82 • C26/59
Aust. 601 & Gas 27 C31/53
Austs 101 & Gas 27 C31/53
Australis Mining 2.5 • C31/53
Australis Mining 2.5 • C31/53
Autors Marcel Dass-Berg-Autat FR731.668 • Beach Petroleum 5.5 C56/57
Borat Drd. Sct. A23.5 • 6.51.52 • 6
Brick & Pipe Industries £1.85 C30/53
C1th Developments 53.4.4 • A0855, 47045 • Community Psychiatric Centers £1.8 • C26/53
Control Exp Class *W £6.2 (30/53)
Cothec Corp £10.75
Cutus Resources 18 (31/53)
Dever A50.18 (31/5)
Dever A50.18 (31/5)
Finall Grd \$1 £1.85 • 6
Harisand Lobar N1 Co £13.9375 (30/5)
Hare Par Bros Int (Singapore Reg) \$3.1,
11/170 \$401 & C30/53
Janding Mathesos Finance Warrants

mrcs 10 • (30/5) Himter Resources 10 © Guyan Jandine Mathesos Finance Warrants HKS4.976 130/53 Ken Corp AS1.58 © Kenstone International \$16.75 © GO/53 Kolimorper Corp \$23.5 Kulim Malaysia Grd 33 (26/5) Lanter International \$13.5 (30/5) Lanter International \$13.5 (30/5) Malaysian Airline System NS7.82122 © Malaysian Plantations 40 © Malaysian Plantations 40 ©

(31/5)
Nicron Resources ASO 355
Nicron Resources DM331_56575 • (26/5)
Norande Inc. (\$22 CO(5)
North Brucen Timbers 28 CSI(5)
North Brucen Timbers 28 CSI(5)
North Flinders Milnes £1.2 •, A\$2,2873 CSI 5) Oil Searck 34, 5 (31/5) Oilmet ASO,28 ¢ (31/5) Overseas Chinese Banking Corp 5\$10, .05502

Palabora Mining 58 (30/5)

Rainada Inc. £7.375 \(\) (26/5)

Regal Hotels (Inideal Hiss2 (25.5)

Regal Hotels (Inideal Hiss2 (25.5)

Singapore Land SS12, 046603, 126 \(\),

12.2578

Southwest Gold miner 2.5 \(\) (21/5)

Strategic Minerals Corp AS0.42514, A29

(31/5)

Tal Cheusp Properties HKS4.125, 14975 \(\) G3/5)
Tal Cheung Properties HK\$4.125, 14975 •
Text Corp N 110.375
United Oversen Land \$52.16801 •, \$\$2.1579
Victoria Ptroleum 4.75 (30/5)
Westfield Minerals (\$1.35 (31/5)
Westralias Sands 11.25 • (26/5)
Winsor Industrial Corp HK\$8.8, 85, 87795

oktru Ord 63.64, R24.25 (31/5)

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Tel: 01-873 4199 **FINANCIAL TIMES**

LONDON STOCK EXCHANGE

Late rally as trading account closes

A HIGHLY volatile session in the UK securities markets saw equities struggle back above the FT-SE 2,100 mark in late trading as attention shifted between reports of planned changes in the operation of UK monetary policy and the pros-pects for lower interest rates in the US. Equities, badly hit at first as another London securities house downgraded its view on the domestic economy and corporate profits, rallied strongly in late dealings as Southwest Bank of St Louis cut its prime lending rate. Government bonds lost nearly three quarters of a point.

Pearl

stake

hints

Pearl Assurance shares were among the market's best per-

formers yesterday after news that Australian Mutual Provident (AMP), the Australian

insurance group, had bought the 13.2 per cent built up over the past few months by its fel-low down-under group FAI

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Account Dealing Dates Thret Deathger. May 22 Jun 6 Jun 19 Lest Deathque Jun 2 Jun 16 Jun 80 Jul 10 Their time dealings may take place from \$.00 mg two huntress days section

lowing reports of plans by the UK authorities to reduce bay-backs of Government bonds, which could push up long term yields and thus reduce the attractions of equity invest-ment. BZW, a leading London securities house, sharply down-Equities opened in an almost graded its views on the domes-free fall yesterday morning fol-tic economy and corporate

per cent of trading profits came from North America, and

that excludes Farmers Group."
He said that with Farmers the proportion would rise to more then 50 per cent.

A story that Ladhroke would launch a £500m rights issue on Monday knocked 20 off the

group's share price at one point. But analysts quickly pointed out the unlikelihood of the notion and the price recovered quickly to close tuppence down on the day at 578p. The company later denied it was

preparing a rights issue.

Mr Paul Slattery, analyst at
Kleinwort Benson, said that
the fall in Ladbroke was a
kneejerk reaction to another

suggestion that Hilton Hotels Corporation of America was

appointing a merchant bank to oversee the sale of its Hilton chain. Ladbroke, which owns

Hilton International Hotels, is

a logical buyer, except that the likely £3hn price tag is too hig for Ladbroke. "They would need a partner, probably a Japanese property company," said-Mr Slattery. "Besides, a rights issue at this stage is far too

premature."
Persistent selling of Nat-

Persistent selling of Nat-West, down 8 at 577p, we the only feature of an otherwise lack-instre banks sector.

The AMP acquisition of the FAI stake in Pearl triggered a minor flurry in the other life issues. London & Manchester, in particular, made strong progress reflecting the recent spate of stake-building rumours about the company, and closed 12 higher at 294c.

and closed 12 higher at 294p; Eagle Star, the insurance arm of BAT, recently acquired a 4

per cent stake.
In builders, Blue Circle

Industries was outstanding, racing up 17 to 556p on turn-over of 1.8m with the market

profits. The early slide, which took the FT-SE Index down 23 points to 2080.5, was accentuated when another UK house tried to place lines of stock taken aboard as part of a trading programme earlier in the

However, the FT-SE Index closed a mere 0.8 off at 2,102.6, with most of the recovery com-ing in the final bour and a half when Wall Street was responding vigorously to the prime rate cut in St Louis. The equity market was mov-ing into the new trading Account and some UK market makers were taking the view

FT-A Ali-Share Index

Equity Shares Traded

Apr May Jun

full of hints that news of a

sizeable property disposal is

Wimpey drifted off 4 to 2750 on 2.4m with dealers still tak-ing the view that Thursday's big activity had represented

the sale of around half the

stake previously held by the Australian group FAL Hickson International jumped to 269p immediately following news that Allied

Commercial Exporters had upoped their stake by 1.8 per cent to 12 per cent, but later receded to close a net 14 ahead

at 263p.

Wellcome slipped 5 to 446p ahead of the 5th World Aids Conference which starts on Monday in Montreal. Analysis expect little new from Well-

Tumover by volume , (million)

1050 🚟

400

minent

The two week Account has seen a fall of 102.1 points, or 4.6 per cent. As Mr Ian Stephe of Salomon International put it yesterday. Two weeks ago, we closed at a post-Crash peak, with not a seller in sight. Now, the market is almost manic that the next Account will see a general reduction in US

of dividend payments on Mon-day. Ward White, a poor per-former all week as bid hopes have been dasher rebounded 5

to 299p; the shares go xd on

Monday which undoubtedly aided their recovery, said deal-

Body Shop, which has been well supported for several months, added a further 11 to 589p as buyers sought the stock ahead of next week's finel week's

stock ahead of next week's final profits figures.

The one other gain of note was posted by Scottish fashion retailer A Goldberg, 3 to the good at 169p on continued speculation that major shareholder Charterhall (21%p) will bid—the shares go xd on Monday. On the way down were Rat-

On the way down were Rat-ners, 5 easier at 241p in spite of a well-attended broker's pre-

sentation to institutions, and

Storehouse, 4 lighter at 161p on turnover of 6.6m shares and still afflicted by negative com-ment on Thursday's poor

annual results. Diy retailer Wickes closed down 4 at 180p.

Wickes closed down 4 at 180p.
Electronics issues kept up
their record as the market's
biggest trading stocks with
heavy turnover reported in
British Telecom (14m), Ferranti
(10m) and GEC (11m). British
Telecom extended Thursday's
decline, slipping 6% more to
246%; "the figures were given
a poor reception in the market

a poor reception in the market and in the Press and there has been plenty of institutional selling since," said one trader. The two-way pull in Ferranti

kept the shares in a narrow range, closing unaltered at 101p, but traders noted some strong demand for GEC; "the rating is now perceived as undemanding," was the comment from one sector specialist. GEC shares fell to 226%p at one point before staging a strong rally to close a fraction

strong rally to close a fraction

Cable & Wireless, turnover 5.1m, dipped 8 to 539p — "tracking the dollar," accord-

ing to marketmakers who

added that the persistent weak-ness in STC over the past week

represented an evaporation of

the recent heavy speculation of imminent deals with potential

European partners. STC fell 3

more to 347p.

Racal Electronics and Tele-

up on balance at 232p.

selling by the big investment

European interest rates.

interest rates, which would The setback of the past fortreduce upward pressures on the dollar and therefore on night has reflected an abrupt turnround in London market Seaq volume jumped to 635.9m shares yesterday from Thursday's 512.5m. Turnover views on domestic interest rates, driven home as UK base rates were raised by a further point to 14 per cent without views on domestic interest point to 14 per cent without by value has been running between £1bn and £1.5bn for stemming a slide in sterling.

Market analysts still sounded very cautious last the past fortnight, indicating night, and were less inclined than their market making colleagues to take comfort from the St Louis bank's action. At Prudential-Bache, the economics team argued the possibility of a "hard landing" for the UK economy, but drew attention to the underperformance of the

London equity market as against Continental markets. come, whose key product is Retrovir, its anti-Alds drug. Mr ative to the market, and finally a fraction up on balance at 175%p. Dealers said there were Ian Moore, analyst at UBS Phillips & Drew, recommends buying the stock in the 430p a couple of buy recommenda-tions around for Gas which Among mixed Stores those stocks that have recently underperformed the sector staged minor rallies, with several boosted by demand ahead

1 at 205p. Gateway is facing an unwanted 210p-a-share bid from Isosceles, but the market believes some of the group's major shareholders, including Mr Garry Weston, are holding out in the hope of a higher bid, either from isosceles or a third party. Nikko Securities, the Japanese house, issued a note saying 210p was inadequate and has advised Gateway's shareholders to stick with the

existing management.
Of the other main retailers, Sainsbury was chased for next week's dividend and closed 4 week's dividend and closed 4 higher at 244p as over 4m shares changed hands, while Argyll closed a penny better at 202p; the company reports figures on Tuesday and the market range is £175m to £180m.

Bernard Matthews, a poor performer for some time follows.

performer for some time fol-lowing a recent profits warning from the company, has returned to favour; the shares rose 4 to 68p. Hunterprint weakened

sharply on news of a slide in full-year profit to £2.3m from £3.6m. It closed 35 down at

FINANCIAL TIMES STOCK INDICES Since Compliation 30 Low 31 High Government Secs 84,88 85,43 85,88 85.20 89.29 (8/2) 84,61 95.83 105.4 50.53 (4/1) (28/11/47) (3/1/75) 1447.8 1926.2 49.4 (3/1) (16/7/87) (28/6/40) 1745.5 1745.6 1755.7 1765.8 1778.8 1444.4 Ordinary Gold Mines 171,4 171,5 173,5 172,8 171,2 232,1 154.7 734.7 43.5 (17/2) (15/2/83) (28/10/71)
 Ord. Dl. Yleid
 4.58
 4.56
 4.53
 4.50
 4.47
 4.58

 Earning Yid %(full)
 11.04
 11.04
 10.97
 10.90
 10.82
 11.76

 P/E Ratio(Net)(±)
 10.97
 10.97
 11.04
 11.11
 11.19
 10.41

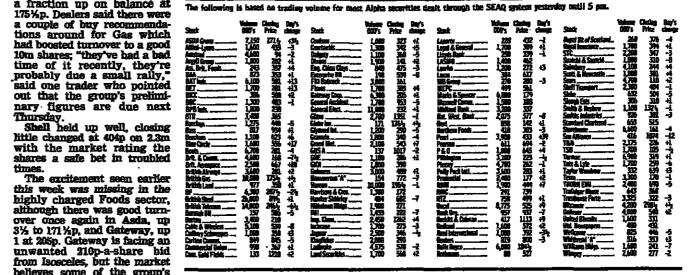
 SEAO Bargains(Spm)
 1429.00
 1589.84
 1269.61
 1331.51
 1370.03

 Equity Turnover(Em)t
 29,480
 28,175
 29,399
 28,750
 36,109

 Shares Traded (mi)t
 522.5
 606.2
 457.8
 495.5
 571.5
 • S.E. ACTIVITY Indices Jun 1 May 31 Gilt Edged Bargains 111.3 126.4 Equity Value 2888.4 3213.5 5—Day average Gilt Edged Bargains 108.2 112.0 Equity Sargains 181.4 180.6 Equity Value 2789.4 2813.8 190.9 182.6 2888.4 3213.5 Ordinary Share Index, Hourly changes Opening 0 10 am 0 11 am 0 12 pm 0 1 pm 0 2 pm 0 3 pm 0 4 pm 17355 17286 17328 17273 17279 17295 17357 1741.6

DAY'S HIGH 1745.8 DAY'S LOW 1725.7 ● London Report and latest Share Index; Tel. 0898 123001 Basis 100 Govt. Secs 15/10/28, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, attil 10.87 (Excluding Intra-market

TRADING	AOTUME	IN	MAJOR	STOCK	8



Marketmakers were caught short in BET as the market recovered in the late afternoon, levering the shares 13 ahead to

281p.

De la Rue, the banknote to printing equipment group, climbed steadily through the day after the revelation that Société Financière de Gènéve, the Swiss holding company for Mr Carlo de Benedetti, had increased his stake to more than 5 per cent. It closed 6

ahead at 313p. Rubber group London International rose 7 to 223p on talk that Boots might be preparing a bid, although Mr James Culverwell, analyst at Hoare Govett, discounted the suggestion. Eurotunnel resumed its

upward trend after two days of light profit-taking. The Units jumped 61 to 1137p and the Warrants added 2½ at 87p.

Confirmation that Air France is to buy five Airbuses helped British Aerospace; which makes the wings, shake

closed at 667p, a net improve-ment of 10. Sentiment was also helped by the prospect of the flotation of Daf, in which BAe has a 40 per cent stake, next Another busy day in British Steel, where 26m shares

changed hands, saw the stock firm a penny to 90p. A Japa-nese brokerage was said have issued favourable comments and there was some talk of income funds buying ahead of finals on June 15.

Dealers spoke of heavy business in Vickers through interdealer brokers. One marketus-

her suggested that this might mean that Sir Ron Brierley might be increasing his stake. The stock closed 3 better on

206p.
Three stocks made satisfactory market debuts yesterday. The best performer of the day was information services group

off the market's early gloom.

After touching a low of 644p, the stock climbed steadily and level before easing back shares opened near the 1980 level before easing back slightly to close at 1960 amid reports strong buying on the back of a broker's recommendation. Of the other two, shares in textiles group Faupel Trading were placed at 130p, opened at 132p-135p and ended the day on 141p, while Irish building products manufacturer Kingspan fared less well. Placed at IR76p, Kingspan opened in London at 70p before regaining some lost ground to close at 73p.

Land Securities was one of

the few property stocks to attract genuine interest; the shares recovered from a low of 552p to close up a net 2 at 560p on turnover of 1.7m. Dealers suggested new-time investors were buying the stock for Monday's dividend.

including the FT-Actuaries Share Index. Page 9

LEADERS AND LAGGARDS

Percentage changes since December 30 1986 based on

Thursday	y June 1
Thursday	V June 1 Cli & Gas
Capital Goods	Mining Finance + Packaging & Paper + Publishing & Printing + Insurance(Composits) + Financial Group + Financial Group + Gold Mines Index + Merchant Banks + Merchant Banks +

BENCHMARK GOVERNMENT BONDS
 13.500
 992
 105-22
 +2/32
 11.37
 11.20

 9.750
 1/98
 94-23
 -5/32
 10.70
 10.37

 9.000
 10/08
 93-29
 -13/32
 9.70
 9.36

8.875 2/19 104-09 +45/32 8.48 8.63 8.95 No 111 4.600 6/98 95.2637 +0.321 5.38 6.48 5.36 No 2 5,700 3/07 105.4014 +0.195 5.12 5.11 6.07 6,375 11/96 96,0000 +0.500 6.96 7.05 6.91 FRANCE BTAN 8,000 1/84 96,8279 +0.382 8,84 8,96 8,85 OAT 8,125 5/99 95,8600 +0.530 8,78 8,82 8,77 10.250 12/98 104.3750 +1.125 9.54 9.76 10.10 6.7500 10/98 95.8750 +0.375 7.37 7.47 7.20 NETHERLANDS 12.000 7/99 90.2378 +0.080 13.80 13.83 13.29 London closing, "denotes New York morning session Yields: Local market standard Prices: US, UK in 32nds., others in decimal

Technical Data(ATLAS Price Sources

COMMODITIES

WEEK IN THE MARKETS

Prodigal son returns to the LME

THE LONDON Metal Exchange this week celebrated the return of its prodigal son. Three-anda-haif years after the collapse of the International Tin Council's price support operation had led to the suspension of nad led to the suspension of LME trading in tin, a revamped contract — with a higher grade and a dollar quotation — made its long-awaited appearance of Thursday.

The timing could hardly have been better. This year has seen a strong rise in prices for the metal on the Kuala Lumpur market and the European free market, reflecting the remarkable success of the Association of Tin Producing Countries sustained "supply rationalisation scheme."

Indeed, so effective has been that scheme that one of the main concerns attending the LME relaunch has been a lack of stocks available for delivery against the contract. After a reassaying exercise the exchange announced this week that stocks of the metal in its registered warehouses amounted to a bare 5 tonnes.

Mr Christopher Green, the LME chairman, said he was not particularly worried about that. "The stocks will appear when necessary," he insisted, pointing out adding that first deliveries against the new contract would not be required until July 3. Neither did traders seem

Neither did traders seem unduly concerned about the apparent scarcity of stocks. As world prices for the metal staged a sizeable rally following the recent shake-out, first day turnover in the LME contract reached a bigger-than-expected 2,875 tonnes. Yester-day's figure was more modest. day's figure was more modest, however, at 670 tonnes.

As tin enjoyed the limelight the LME's other base metals contracts shrank back into the shadows. The only one to regis-ter a rise was cash lead, which ended £17.50 up on the week at \$432.50 a tonne. But that rise, resulting from a \$29.50 gain yesterday, reflected a techni-cally tight nearby supply situa-tion rather from fundamental strength. The three months position ended \$5 down on the

week after falling 11 yesterday. Elsewhere, zinc, until quite recently the star turn of the exchange, continued its price slide as freer supplies of spe-cial high grade metal appeared on the market. A \$32.50 fall yesterday left the cash high grade position \$127.50 down on the week at \$1,497.50 a tonne -the lowest level since mid-November. At the same time the premium over the three months position narrowed from \$60 to \$38.50 a tonne and

the special high grade cash price dropped \$190 to \$1,585 a

Copper fared little better during the latter part of the week, but thanks to a £100 rise on Tuesday - reflecting an unexpectedly large fall in LME warehouse stocks — its overall decline was only £24 at £1,573 a tonne for cash metal. Still, that was the lowest closing level since last October.

Aluminium continued its recent decline, meanwhile, a \$147.50 fall taking the cash price down to \$1,987.50 a tonne; while cash zinc see-sawed to an unchanged close of \$12,650 a

The soft commodities were also in retreat for most of the week. Despite sterling's continued weakness against the dollar London coffee futures prices drifted lower as traders remained gloomy about the prospects for progress towards saving the International Coffee agreement at talks beginning in-London next week. The agreement, which seeks to sta-bilise the market through a system of export quotas, expires on September 30 and attempts to negotiate a replacement have been dogged by a row over producing members' sales to non-members outside the quota system at knock-

A pin-point of light appeared at the end of the tunnel on Thursday, however, when it was announced that the US would, after all, be attending next week's talks. "We fell we might as well continue these discussions," said Mr Jon Rosenbaum, an official at the office of the US Trade Representative. Earlier Mr Rosenbaum had said he would not attend the talks unless there were significant signs of prog-ress on meeting US objections

to the current arrangement. Half-hearted as the US commitment to the coming talks might appear, it was enough to arrest this week's decline, and the September position on the London futures market rose £11 yesterday to end the week £4 up on the week at £1,175 a

Cocoa prices fell back after last week's sustained rise as the bearish fundamental outlook was underlined by an increased 1988/89 surplus forecast from the International Cocoa Organisation - up to 223,000 tonnes from 199,000. But a bout of short-covering rallied the market yesterday and the September futures position ended at 2802 a tonne, up £18 on the day but still £15 down on the week.

Richard Mooney

Pilkington senior posts

■ PILKINGTON has appointed Mr David Roberts as chief executive of the newly-formed new business division. He was chief executive of Pilkington Visioncare, and remains chairman. He is succeeded as chief executive by Mr John Heine at Visioncare's California headquarters. Mr Chris Moore has been appointed head of the support group serving the advanced technology businesses.

Mr Chris Beckett has been appointed managing director of UNITED TRANSPORT CONTAINER HOLDINGS, with the managing directors of the operating companies Mr David Bone (Seawheel), Mr Stewart Duncan (United Transport Line), Mr Alan McKay (Containeriink), and Mr Edward Roderick (IFF) joining the board, together with Mr Leslie Rogers, company secretary.

■ NORTON ROSE has appointed as partners Mr Peter Burrows (property - company acquisitions); Mr Patrick Farrell (aviation litigation); Mr Peter Haslam (banking and capital markets); Ms Barbara Stephenson (corporate finance); Mr Lindsay Morgan (commercial property); and Mr Roger Heward (commercial and marine litigation).

■ Following the acquistion of Frozen Quality, CAMPBELL'S FROZEN FOODS has appointed Mr Roy Lowe as sales and marketing director of the vegetable division, Mr Ross Donaldson as buying director, and Mr Peter Hurley as production

■ EBURY PROPERTY HOLDINGS, a new company, has appointed its board: Mr Ian L. Schmlegelow (non-executive chairman); Mr J.H. Philip Harcourt (managing); Mr Duncan J. Moss (development); Mr M. Gwyn Phillips (financial); and Mr William T. Chown (non-executive).

■ MORLAND & CO has appointed Mr Martin Mays-Smith as a non-executive director. He is a director of Kleinwort Benson Group.

■ LEGAL & GENERAL INVESTMENTS has appointed Mr Barry Holman as director index funds from June 1.

■ Mr Roger Laker has been appointed chief financial officer of CROWN FINANCIAL MANAGEMENT. He was with City of Westminster

■ RANSOMES SIMS & JEFFRIES has appointed Mr Geoffrey Comer as group financial director. He was group treasurer, London nternational Group. Mr Roy Ashwell becomes director responsible for Ransom Consumer, a new division.

RELIANCE MUTUAL INSURANCE SOCIETY has promoted Mr Tim Birse to accountant and assistant actuary, and Mr Ian Woodcock to assistant actuary.

■ Mr Graham Bond has been appointed director, corporate treasury services, at Spicers Corporate Finance, part of SPICER & OPPENHISM.

■ PORTSMOUTH BUILDING SOCIETY has appointed Mr Jack Longland as chairman, and Mr Ron Worland as vice chairman.

■ PRESSAC HOLDINGS has appointed Mr Roger Boissier as deputy chairman. Mr Geoff White, finance director, becomes chief executive, and will work with Mr Eric Greasley who retires on December 31. Mr Jeff Cullis is made group commercial director. Mr Terry Millington joins the board and becomes

managing director of Pressac, principal operating subsidiary. ■ ASYSTEL UK, a subsidiary of Asystel France, has appointed Mr Richard Allen as managing director of its operating companies Asystel Spartex, and Wordability. He was with Westwood

APPOINTMENTS

■ Mr Simon E.V. James has been appointed a director of FOREIGN & COLONIAL MANAGEMENT, responsible for overseas clients.

Mr Victor Watson, chairman of John Waddington, and John Foster & Sons, and Mr Kenneth Dixon, chairman of Rowntree, have been appointed non-executive directors of

YORKSHIRE TELEVISION

HOLDINGS.

■ Mr Ian Glassington has been appointed associate director of YASUDA TRUST EUROPE, wholly-owned subsidiary of The Yasuda Trust and Banking Co, Tokyo.

Dr Bruce Tofield has been appointed director, JOHNSON MATTHEY TECHNOLOGY CENTRE. He succeeds Dr Michael Cleare, who became director, planning and development, in January. Dr Tofield joins from the United Kingdom Atomic Energy Authority, Harwell, where he was head of materials, physics and metallurgy division.

■ Sir David Rowe-Ham has ben appointed to the board

of ST DAVID'S INVESTMENT

■ SHAFTESBURY has appointed Mr Simon Quayle as a director of Shaftesbury Properties, the group's principal property development subsidiary. He

SCANDINAVIAN BANK GROUP as a general manager, international asset trading.
He was vice president and general manager of distribution of Security Pacific Hoare Govett.

■ Mr Dong Hunter has been appointed a director of G.T. MANAGEMENT (UK). He was an investment manager with

■ Mr Alan Fishman, senior partner of Clay and Partners, has been elected chairman of THE ASSOCIATION OF CONSULTING ACTUARIES.

■ Mr Robert J. Woodbridge

Mr Simon Borrows, Mr der Wyck have been appointed

has been appointed managing director of RIGGS A.P. BANK. in succession to Mr Charles Morland who has resigned for personal reasons. Mr Woodbridge was a non-executive director, is an executive vice president of The Riggs National Bank of Washington, D.C., based in London, and chairman of Riggs Valmet, Switzerland

Mark Burch and Mr Otto yan directors of BARING BROTHERS. Mr Borrows and Mr Burch were assistant directors in the corporate finance department, and Mr van der Wyck is managing director of Baring Capital

AMP paid 418p a share for the FAI stake, costing it close on £100m. Together with a 4.5 per cent stake that AMP has held for around two years, the latter now speaks for 17.7 per cent of the UK life group: Pearl shares shot up on the news, eventually closing a net 39 higher at 433p with turnover expanding rapidly to almost 4m shares

Dealers said the market had picked up whispers that the FAI stake was being offered around, and said the Pearl share price movement was one of relief mixed with hopes that the company could well attract a bid - "but not for some time," as one trader put it.
Mr Youssef Ziai, life assurance analyst at UBS Phillips & AMP selling on its newly-acquired stake in the short term at least." But he did concede that they might sell on in the longer term. The UBS analyst added that the price paid by AMP was "fair for a long-term

investment" but that he regarded 440p a share as "a realistic level to take profits, given the yield of 5.3 per cent which compares with the 7 per cent available at Predential.

BAT in demand BAT Industries continued to climb on US interest and camb on US laterest and awidely mentioned upwards valuation of the company of \$20 a share, said to have been generated by Goldman Sachs. UK dealers quickly gave their own break-up estimates; they varied between 29 and the US figure, which at at a sterling equivalent came in around £12.50. The stock closed 13 to turnover of 6.1m shares. There

was heavy trade in the ADRs in New York.
"When the Americans get the bit between their teeth, a stock can really move," said one marketmaker ruefully. Others drew comparisons with recent US interest in dollar earners such as Reuters,

Saatchi and Saatchi, Hanson, and the Racals. Mr Paul Burke, analyst at Kleinwort Benson, said: "If there ever is any bid interest it would come from the US - 44 Intl., Boot (H.), Gration, Hurtington Int., for-lawfit, St. Gobala, Southory, Do. Ch., A. NV, Sacurity Services, Editive Gr., A. Westerman Part., LESUMER (1), Justices of Holgs., NEWSPAPTERS (3) Horse Counties, News int Spec OV, PAPTERS (1) Surface (Charles), PROPERTY (2) Britannia Gr., CountyGien, SHOES (1), Lembert Hth., SUM APRECASE (3) Genom Frank Tiger Cols., TRUST'S (2) Before Text, Tiger Cols., TRUST'S (2) Before Tot, AAI, OLS (2) Hamilton Ch., Lemant Ol., Oversize Sas

NEW HIGHS (16).

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LUAME (1) N'HICH ANGER SÉED 23.5.5.

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NEW LUMS (138).

BRITISH FURDS (57) BIT, BANK & C'SEAS

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(4) CHEMICKES (1) Aldra Hidge, STORES

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NEW HIGHS AND LOWS FOR 1989

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550 1,635 1,225 2,031 4,065 5,586

com drew more American sup-port after the latest positive note from US house Goldman Sachs, big bulls of both stocks in recent months. Electronics added 9 more at 525p on 8.8m and Telecom 11 to 490p.

A busy oil and gas sector showed British Gas a good performer throughout the day, rel-

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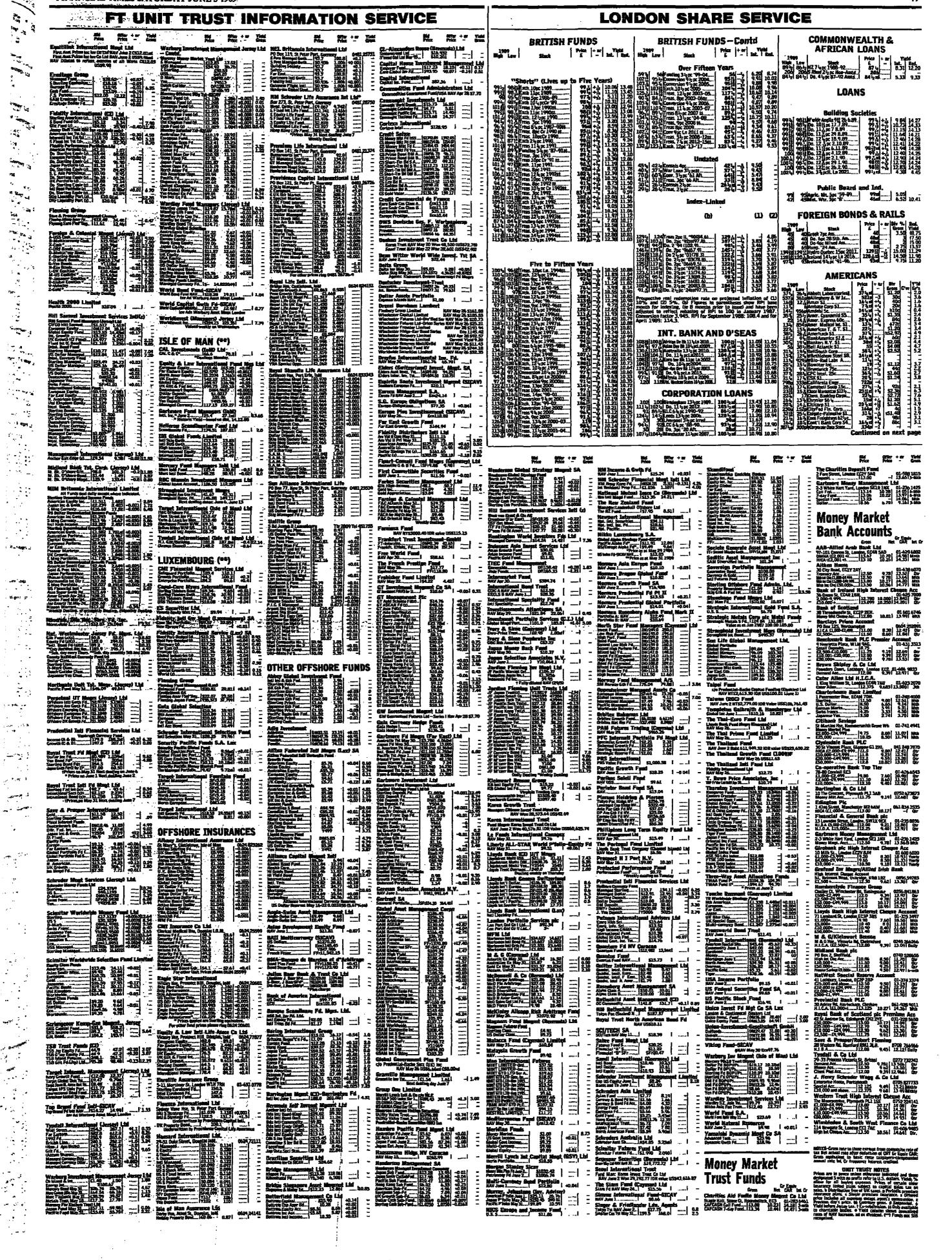
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FINANCIAL TIMES

Weekend June 3/June 4 1989



Uno elected Japanese PM despite protests

By Stefan Wagstyl in Tokyo

MR SOUSUKE UNO, the Japanese Foreign Minister, yesterday took over from Mr Noboru Takeshita as Prime Minister, ending a month-long succession quest by the scan-dal-ridden ruling Liberal Dem-

ocratic Party.
Mr Uno, 66, as the new leader of a deeply divided party, will immediately face serious problems, with political reform top of the domestic agenda and a string of overseas trade issues to be tackled. He was elected yesterday

despite opposition from dissi-dents in his party who had demanded a more indepen-dent-minded prime minister committed to radical political

day, 48 out of 392 of the party's parliamentarians staged a last-ditch protest, putting up and voting for a dissident candidate. Another 40 boycotted the meeting, including two for-mer prime ministers.



The protests did not bode well for Mr Uno, whose main task will be to unite the party behind a political reform pro-gramme which will convince the public. The first big test will come in elections to the upper house of the Diet, the panese parliament, in July. The LDP's dissidents argue that the party is taking insuffi-cient notice of widespread pub-lic anger at the Recruit scan-

A sign of the leadership's determination to resist radical change came last night with news of appointments to Mr Uno's Cabinet and to senior party posts.

As well as Mr Takeshita, Mr As well as Mr lakeshita, Mr Abe and other senior figures resigned, as they had previ-ously indicated. However, their posts were filled strictly on tra-ditional lines, the jobs care-fully shared between the fac-tions

Mr Ryutaro Hashimoto, a close aide to Mr Takeshita, becomes party secretary gen-eral. Aged 51, he is one of the youngest men to hold a senior

party post.
Mr Masajuro Shiokawa, a 67year-old former education and
transport minister and a mem-

ber of Mr Abe's faction, takes the key job of Chief Cabinet

Secretary.
Mr Hajime Tamura, a former Minister for International Trade and Industry, becomes speaker of the Diet's lower house in succession to Mr Ken-zaburo Hara, who was forced to resign because of opposition party criticism about the way he handled Recruit-related

Among the posts with the greatest influence over foreign relations, Mr Tatsuo Murayama, aged 73, remains in post as finance minister, a job he acquired only five months ago in Mr Takeshita's last reshuf-

Mr Hiroshi Mitsuzuka, 62, moves from the Ministry for International Trade and Industry to the Ministry for Foreign Affairs. The new MITI minister is 63-year-old Mr Seiroku Kajiyama, who has many years experience of the ministry's work through membership of

parliamentary committees which supervise it.

However, the impact of these changes on foreign policy will be limited by the dominant influence of the Japanese bureaucracy.

Mr Uno's main task will be to convince foreign leaders that Japan's internal ructions will not distract her from honouring her international com-mitments, particularly in the field of economic policy-mak-

As the climax of the Recruit As the climax of the Recruit affair was being played out in Tokyo, the public prosecutors in nearby Yokohama finished their investigation of Mr Hideki Komatsu, the former deputy mayor of Kawasaki. He was the first person to be publicly named as a recipient of Recruit Cosmos shares, a revelution which carred the scanlation which started the scandal. The case against him was dropped for lack of evidence. Foreign investment up, Page 2; Man in the News, Page 6

Transport disruption AMP raises its stake in Pearl

INDUSTRIAL disruption in the 80-year-old national negoti-

Britain's transport sector seems likely to spread over the next three weeks with strikes being threatened by unions representing thousands of staff on London Underground, London buses and British Rail

By Jimmy Burns, Labour Staff

likely to spread

The National Union of Railwaymen yesterday followed the drivers' union Aslef in calling a strike ballot of 2,000 drivers and guards on London underground in a dispute over pay linked to flexible working. The NUR, the biggest rail union, is already balloting its London Underground member-ship of 10,000, including signalmen and supervisory and plat-form staff, in a separate dispute over the introduction of "action stations" which also involves radical staffing

The results of the two ballots and that of Aslef's are likely to be known around June 12. This will coincide with the announcement of the result of a further ballot, which began last month, of 75,000 British Rail NUR members.

The ballot at BR, which calls

for a campaign of industrial action, including 24 hour sary", began last month. It was called after BR imposed a 7 per cent pay increase and

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Now York prices at 12.30.

LONDON (Pence)

Rises
Anglo Leasing 450
BAT Inds 581

Union officials last night pre-dicted that all four ballots would show widespread rejec-tion of both London Underground and BR's proposals.

They are understood to be planning to co-ordinate a campaign of industrial action, partly to try to regain control of members who have staged unofficial action, and partly to exert the maximum pressure

If the strikes go ahead, it will be the first time that industrial action on both London Under-ground and British Rail nationally have coincided since 1982. The action may be underpinned by further strikes involving London bus drivers in sup-port of a 14 per cent pay claim. London Underground unions are seeking a £64 increase in basic pay to compensate driv-ers for more responsibility on

driver-only trains. On British Rail, unions want substantial increases in basic pay and have rejected manage-ment efforts to introduce more flexible pay arrangements linked to local bargaining. The transport industry prob-

tainty over inflation has reinforced union resistance to cent pay increase and more flexible payment systems announced its decision to end and working practices.

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CHIEF PRICE CHANGES YESTERDAY

to 18%

By Patrick Cockburn

THE Australian Mutual Provident Society yesterday raised its shareholding in Pearl Group, the UK life insurer, from 4.5 per cent to 18 per cent at a cost of just under £100m. Shares in Pearl Group rose

to 430p, signalling the market's belief that the move might be the prelude to a bid by AMP, the largest life group in Aus-AMP, which bought the 13.2 per cent shareholding from FAI Insurances, said yesterday

that it had simply taken the opportunity to add to its existing shareholding and declined to comment on bid speculation. It said it paid FAI 418p per share which values the Pearl Group at £752m. Earlier in the year, AMP successfully merged with London Life, the life insurer, after four months of court battles and

strong resistance from some policyholders. In Australia, AMP has 30 per cent of the life assurance mar-ket where it has operated since 1849 and it is the country's

largest property owner.

In 1987 it made a strategic decision to expand abroad, concentrating on life assurance, arguing that there was little scope for growth at home where it faces strong competi-

tion.
It aims to have half its business off-shore within five

Pearl Group, which has a market capitalisation of £753m, has long been seen as a likely Although it is only the 15th biggest among UK life assurance companies, it has a strong network of 6,000 agents selling

insurance directly to the public through door-to-door visits to It is also seen as having a conservative attitude towards distributing profits on invest-ment to shareholders and polto expand into selling other financial services. Its pre-tax

profits rose 37 per cent to £66.2m in 1988 over the previous year. Mr Nigel Proddow, Pearl's chief general manager, said yesterday: "We are quite happy to see AMP as a large shareholder. These are people with whom we get on reasonably well. They have always said that they want a long term shareholding."
He added that Pearl would

have further discussions with

Growth in US jobs less than forecast

By Anthony Harris in Washington and Janet Bush in New York

US EMPLOYMENT growth slowed further in May, while overtime and average working hours fell, and hourly pay advanced only 0.1 per cent, the Department of Labor announced yesterday. Unem-ployment fell by 0.1 per cent to

5.2 per cent.
These figures were much weaker than the markets had forecast, and aroused strong expectations that the Federal Reserve will soon ease monetary policy. Bonds and equities rose sharply, and the dollar fell.

The Fed has been under intense political pressure to nudge interest rates lower both from the Administration and from its partners in the Group of Seven leading industrial nations who want to see a

lower dollar. Wall Street analysts believe that the Fed will encourage the Fed Funds rate, at which banks lend to each other over-night, to go down by about 'Apoint within the next week or so. Even with current interest rate levels, there is justification for a 0.25 per cent fall in prime lending rates and one appears to be inevitable once the Fed moves.

The employment figures confirmed that the growth rate remains subdued, mainly due to weak domestic demand. Health services and transportation accounts for half the new jobs created in May. Car sales have subsided despite strong customer incentive programmes, and the May report from chain stores showed lack-

lustre trade. On the other hand manufacturing orders recovered, led by exports and industrial investment, and the leading indicators rose this month after fall-ing for two consecutive

hourly pay has risen only 3.8 per cent in the last year - well below the consumer price increase - are thought to be the most significant.
The Federal Reserve is espe-

cially concerned with any ten-dency for oil and other prices increases to feed back into domestic costs.

The payroll employment fig-

ures, on which market analysts concentrate, are collected from industrial establishments, but the parallel household survey suggests that the economy is still softer than the main figures indicate. This shows a growth of

500,000 jobs this year compared with 750,000 from the establishments' survey.

The difference is largely

explained by a steady monthly fall in self-employment, which has fallen by 300,000 in the last r, with two third of the fall

US Treasury bond prices surged by more than a full point yesterday morning. At midsession, the benchmark long bond was quoted 1 kpoint bisher taking its violet 1 to 2.40 higher, taking its yield to 8.49 per cent, its lowest level since early March 1988 just before the Fed initiated the first of a series of tightenings which lasted for a year.

The equity market, buoyed

by continuing takeover specu-lation, high levels of institutional cash and confidence about the outlook for corporate profits with the economy still on an expanding path, also reacted positively to the employment release. At midsession, the Dow Jones Indus-trial Average was quoted 22.97 points higher at 2,513.60, a post-crash high.
At midsession in the foreign

exchange market, the dollar was quoted at DM1.9780 and wase figures, showing that

**Transpectation of DM1.9780 and artifact high of DM1.9780 and at Y141.55 from Y142.40 earlier.

Peking Continued from Page 1

ers reflected the tension in the city yesterday following an obvious increase in the military presence. An estimated 200,000 troops have been waiting on the outskirts of the Chinese capital since the decla-ration of martial law two

weeks ago.

Hours before the reports of troop movements, students and intellectuals announced a series of 72-hour hunger strikes in the square until China's par-liament, the National Peoples' Congress, meets to discuss democratic reform on June 20. Deng appeared to be strug-

gling to maintain control of the group of hard-line old men he called on to shore up his position and quell the demonstra-

Deng, widely rumoured to be out of Peking in his home prov-ince of Sichuan, retains the final say, but it appeared his authority was being undermined by an elderly clique led by President Yang Shangkun, who not only want to end the student uprising, but also use the crisis to turn back the clock on Deng's economic reforms and tolerance of West-

UK reserves Continued from Page 1

WORLDWIDE WEATHER

can to try to conceal the full

amount and the extent to which it was intervening to stop the currency falling. However, the size of the fall may mean last week's decision to raise base rates by one percentage point to 14 per cent reflected a judgment that the momentum behind sterling's fall was too great to stop by intervention. Yesterday the

Treasury said the use of intervention or interest rates to support sterling was a tactical

reserves reflects a variety of government transactions and provides only a rough guide to the scale of intervention. It excludes intervention earlier this week. At the end of May, total reserves stood at \$46.09bn.

Throughout the week, sterling has been dogged by specu-lation about a rift between Mr Nigel Lawson and Mrs Margaret Thatcher over economic policy. There has been speculation of a shift from exchange rate management and towards broader monetary control.

The uncertainty was highlighted on Thursday when Mr Lawson, in Paris for an Organisation for Economic Co-operation and Development meeting, was forced to deny there was sterling crisis. He said there had been "a lot of exaggeration" about the pound.

Also undermining sterling sentiment has been the recent

strength of the dollar and a rebound this week in the D-Mark, However, the decision by the West German Bundesbank not to raise its interest rates at its council meeting on Thursday gave some lift to sterling, possible averting a rise in UK base rates. Fears about the UK eco-

nomic outlook have worsened this week, despite the absence of significant economic statis-

Several securities houses have shifted away from projections of a "soft landing" towards a "hard landing" in which stagnant output is combined with high inflation.

Department of Trade and Industry figures showed another fall in company liquid-ity during the first three months of 1989, suggesting high interest rates will have a larger impact on company, as well as personal sectors.

THE LEX COLUMN London's domestic difficulties

Yesterday saw the London Yesterday saw the London equity market gripped by opposing forces: fears for the UK economy and hopes for the US. In the morning, the talk was all of downgraded profit forecasts and the Government's funding programme: in the effection came the suppristhe afternoon came the surpris-

the afternoon came the surprising US employment figures, a leap in US bond prices, and immediate hopes of lower US interest rates next week.

The implications of all this for UK equities are tricky to disentangle. If the US economy is slowing nicely, the corresponding drop in US bond yields and the dollar ought to reduce the pressure for 15 per cent base rates: but what if West Germany decides to raise its own rates after all? And what if, despite yesterday's what if, despite yesterday's fump in US bonds, Wall Street is still overvalued in terms of the yield ratio?

On the other hand, as the

on the other hand, as the recent sharp divergence of US and UK bond yields suggests, London is still more preoccupied with domestic problems than with the global scene. While more and more US broking houses are signing up with the bulls, in London the trend is still the other way. is still the other way. Hence the reaction to yester-

day's burst of pessimism from BZW, which has cut its forecast for economic growth next year from 2% per cent to 1% per cent, with correspondingly dire warnings on corporate profits for this year and next. Indeed, there is room for nervousness about the market's vousiess about the market's reaction if companies reporting interims in September start to issue warnings about the sec-ond half: one has only to think of the punishment handed out to those who have offended already, from Amstrad and Storehouse to Saatchi &

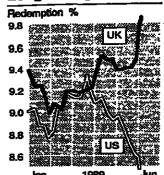
market clings grimly to the 2,100 mark, that it was 100 points higher a fortnight ago with not a seller in sight.

Pearl

It is not yet clear whether Australian Mutual Provident is either ready or willing to hid for the Pearl But at least it appears to have the means to do so, which is more than could have been said about the former stakeholder, FAL With around £1.5bn in fr

reserves in its balance sheet AMP could theoretically afford to pay £1bn or so for the Pearl.
And though AMP was at pains to assure London Life policy-holders that its main vehicle for UK expansion would be London Life itself, the AustraFT Index down 0.1 at 1745.5

Long bond yields Redemption %



lians' goal of capturing 5 per cent of the UK life market could never have been reached with the help of London Life

alone.
The fact that a Pearl stake came up for grabs - and that AMP grabbed it - does not, however, mean that an offer letter from the Australians will arrive in the next post. But it surely has transformed the medium-term prospects for the Pearl share price. While 13 per cent of the company was known to be on the block, underperformance was virtually guaranteed, and the shares duly lagged the market by 30

But the possibility, if not the probability, of a bid, should ensure that yesterday's 10 per cent rise can at least be maintained Eighteen per cent of a company is, after all, an ungainly sort of number — so angainty sort of number — so AMP can probably be counted on to buy a few more shares, even if it does not buy the lot. If the Australians do not bid, it remains difficult to guess who else might wish to: FAI is known to have touted its stake round Europe for quite some time before disposing of it closer to home.

Fund managers

One of the best ways for the smart investor to play the stock market is by investing in the shares of the quoted fund managers. As the market rises, the fee income earned on the funds under management automatically increases and the cost base should remain nearly

But as demonstrated by this week's results from M&G and Henderson Administration, two of the UK's best known firms, picking the right man-ager can be almost as difficult as spotting the right share. Henderson has underper-

TENNING TO THE TENNIN

formed by 45 per cent since the 1987 stock market peak, while Mercury Asset Management's shares have outperformed the snares have outperformed the market. Henderson, which has considerably more funds under management than M&G, reported a 45 per cent drop in full year profits, to £12.4m, while M&G earned almost as much in its first half-year.

The latter's profits will be another record this year, but it will be a couple of years at

will be a couple of years at least before Henderson's pretax profits approach the £26.4m earned in 1987. The differing records partly reflect relative investment per-formance and sharply varying

cost structures. Henderson was earning three-quarters of its profits from unit trusts at the top of the bull market and has been hit hard by the changing regulations and net redemp-

M&G, by contrast, has always had a much leaner cost structure, has a far less vola-tile unit trust business and has a stable cushion in its life assurance operation. Despite this background, Henderson sells at a premium to M&G - which says more about takeover prospects than its future potential.

Japan

It might have been expected that the Tokyo market would find the first rise in the Japanese discount rate since 1980 and the appointment of a care-taker prime minister slightly discouraging.
But the rate rise was wholly

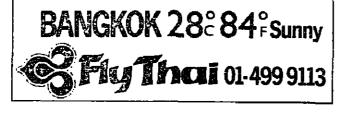
expected and neither bonds nor short rates reacted; and the ending of uncertainty about the premiership, coming after the formal winding up of the Recruit investigation, at least gave promise of a period of political torpor. Though the Nikkei index may bave fallen 600 points in two days, that was a mere 1.7 per cent decline from Wednesday's all-time

The market's one real worry might be the inflationary impact of the weak yen. It was unlucky that the raising of the discount rate coincided with this week's pause in the dollar's progress, making it diffi-cult to read the underlying

signs.
But if US rates really are oming down, that could put paid to any lingering worries about a further Japanese rate increase. Given yesterday's sharp rise in US Treasuries. Tokyo fund managers might return to their offices next week in a more bullish frame

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WeekendFT

SECTION II

Weekend June 3/June 4, 1989

A new dynasty from the heart of Texas

Peter Riddell on how the good ol' boys from Houston rode all the way to the White House

"Texans are America's Americans. They think big and work hard to make big things happen. Texas is as much a state of mind as a place. George Bush may not have been born in Texas, but he is a Texan." Senator

AST WINTER three prominent members of the most exclusive country club in Houston - no photographers and definitely no press allowed – told friends that, unfortunately, they would no longer be able to spend as much time there as they would like. They would be in Washington for the next few years. One was going to become President of the United States, another Secretary of State, and the

States, another Secretary of State, and the third Commerce Secretary.

The three — George Bush, James Baker and Robert Mosbacher — have been close friends for over 30 years, as well as business partners in a company which leases liquid petroleum barges in the Gulf of Mexico. With Lauro Cavazos, the Education Secretary, they form the largest Texan contingent in any administration. Texan contingent in any administration. There would have been a fifth but for the rejection by the Senate of John Tower as Defence Secretary.

This group – plus many more Texans at a lower level in the White House and throughout the administration – fully matches Lyndon Johnson's Texas mafia of the mid-to-late 1960s and exceeds the Cali-forman network surrounding former Presi-

dent Ronald Reagan.

When coupled with the power of Texans in the Democratic leadership of Congress, it is no wonder that one aggrieved Mowes-tern politician recently remarked that there were three parties in Washington -Republicans, Democrats, and Texans. And he knew which was the most powerful. The strong Texan flavour to the administration is all the more remarkable since a generation ago the Republican Party hardly existed in the state. It was dominated then, as it had been since the American Civil War, by Democrats. Senator Phil Gramm — of the Gramm-Rudman deficit reduction law - recalls that the only Republican before him to win his home county in central Texas was a candidate opposing a Democrat who had been indicted, sentenced and imprisoned during close race: In most of the rural counties voters would not, he claims, have elected Wyatt Earp if he had been a Republican. Yet, in many respects, Texas epitomises Republican pro-business, patriotic values. According to Gramm, a clever and acerbic former economics professor with a folksy drawl, Texas thinks big. And, though the senator does not say so, when things go

wrong they do so spectacularly, as when the oil boom went bust in the mid-1980s. And, more recently, Texans watched the collapse of many savings and loan institutions. Such is the resilience of the state that these problems are quickly brushed aside. It is possible again to sell \$20,000 tables for charity balls.

Houston — the Texas home of the Bush, Baker, Mosbacher set — represents capi-

Baker, Mosbacher set - represents capi-talism and rugged individualism at their most unconstrained. It must be the last big city in the developed world with no zoning laws to provide overall planning guidelines. Proposals for such laws have guidelines. Proposals for such laws have been regularly rejected as socialistic and un-American. The result is a sprawling city with a wide range of buildings, some inspiring, some ugly. The great American architect Philip Johnson has said: "I like Houston. It's the last great 19th-century city. Houston has a spirit about it that is truly American, an optimism. People there aren't afraid to try something new."

David McComb, the city's historian, has noted the pervasive conservatism of the 19th-century robber harm — exploitative.

noted the pervasive conservatism of the 19th-century robber haron — exploitative, laissez-faire, and at times generous in philanthropy. Its roots he in the Southern heritage of the town, the expansive, opportunistic nature of the area, and the strong business orientation of the economy. It gives to the people a certain bold, reckless, stubborn, independent, and sometimes lawless, attitude which means that the conservatism both helps and hinders the development of the city."

The Democrats ruled supreme until the 1960s. There was a cosy relationship between business leaders like Jesse Jones and George B. Brown, the founder of the Brown and Root construction group, and Democratic politicians. When they came together in suite & of the Lamar Hotel in Houston, local — and national — policy

Houston, local — and national — policy was decided.

was decided.

For all the independent mindedness of the state it has always looked to Washington for contracts. Hence, it was not entirely coincidental that the manned space centre was sited south west of the state when a lead conversation whether the conversation of the conversation o city when a local congressman chaired the relevant appropriations committee and when Vice-President Lyndon Johnson ran the National Space Council Brown and Root did well out of that and out of mili-



But even that profoundly conservative body thought this somewhat excessive and, instead, decided that the appropriate punishment was 20 years in prison and a

There were always some mayericks—notably Hugh Roy Cullen, a hig fan of Senator McCarthy. In his desire to drive out Reds, Cullen personally financed a new school textbook for Houston which stated as a fact that the State Department had given China to Mao and had tricked the US into the Korean War. Yet Cullen was a noted philanthropist, giving away most of his vast fortune.

Republicans were challengers to the established order, assisted by feuding between conservative and liberal Democrats and by the growing disenchantment of Texan businessmen with the policies of

There are now three parties in Washington: Republicans, Democrats. and Texans'

the Kennedy and Johnson administra-tions. The first breakthrough came when John Tower won the special election to succeed Lyndon Johnson in the Senate. But in his near 24-year career in that body, Tower always had to fight hard to be re-elected. The Republicans did not establish any depth in the state until the late 1970s and 1980s. They now account for roughly a third of state and Congressional represen-tatives.

tatives.

Another Republican pioneer was a certain George Bush. While a longstanding ally of Tower — a debt of loyalty Bush sought to repay by putting his name forward for the Pentagon — they were never close friends. Nor was Bush a protegé of Tower. He always had an independent local base. Bush is, of course, an adopted Texan, as he was born and educated in

ger - a displaced preppie.

Yet pride in the second Texan president is the dominant view. One of Bush's early campaign themes was "a Texan by choice, not by chance." Unlike the Johnson-era Texans, who were defensive about their background, Bush and his friends flaunt their home state. A favourite hobby is pitching horseshoes. "Texas," he recently said, "certainly stands tall in the heart of this president."

Like fellow north-easterner Robert Mos-

bacher, Bush came to Texas in 1948 and spent most of the following 20 years in the oil business. Only James Baker, known locally as Jimmy, comes from a local family, pillars of the Houston legal and banking establishment. But Baker was also and establishment. But laker was also educated in the north east — at Princeton as opposed to Bush's Yale. As one delightful Houston grand dame, a self-styled steel magnolia — the widow of an oil wildcatter — remarked: "Old Money in Houston has always sent its boys east to school and college."

college."

Bush and Mosbacher fitted easily in this Old Money world. Fashionable Houston provides many similarities with the familiar image of the Dallas television serial, with men in cowboy hats and beautifully dressed and coiffured women in the most fashionable shops this side of Manhattan. But Bush, Baker and Mosbacher were more discreat. Their world was of hard more discreet. Their world was of hard work, private country clubs and quiet charitable work, avoiding ostentation. Mosbacher believed that there were only three times in life it was proper to have one's name in a newspaper: birth, mar-

Public service was also a natural part of ground a Republican - his father served two terms in the Senate for Connecticut. The younger Bush was a fresh face, appealing for good government against vested interests.

John Knaggs, later a long-serving Republican political consultant and then a UPI reporter, recalls when George Bush came into the press room at the State

Capitol at Austin in September 1963 to eclare for the Senate race in the following year. "It was all so different, so casual in those days. There was no entourage." Bush impressed with "an open, refreshing personality and a dedication to public service." But 1964, the year of Lyndon John-son's presidential triumph, was not to be Bush's. After two terms in the House of Representatives, he lost a further run for the Senate in 1970.

This second defeat stung Bush. As Knaggs says, the political door in Texas had shut on him and he had to follow his public career elsewhere. James Baker has only once sought elective office - in an awkward, unsuccessful run to be attorney general of Texas in 1978. He has climbed the appointed ladder. Until now Mosbacher has been mainly a fundraiser, recently complaining with more honesty than tact that not enough donors to last year's presidential campaign had been given jobs in the administration.

Their Old Money values have a particular Town twict Theorems have a fewer of

lar Texan twist. They are in favour of business — with more than a nod in the direction of oil and banking, against gun control (both Bush and Baker are hunters); for strong defence; against high taxes and "pro-life" on the abortion issue. John Knaggs reports in his book, *Two-Party* Texas, how-Bush has presented a consistently conservative message, though he supported black and other civil rights in the 1960s when that was by no means common in Houston.

For a long time Texas Republicanism was mainly urban – the "silk stocking" Houston/Dallas brand. This has changed under Phil Gramm. Initially a Democrat, he was one of the leading Boll Weevils, the Reagan's tax cuts in the early 1980s. Then in 1983 he changed party, resigned his House seat, won re-election as a Republi-can and succeeded John Tower in the Senate in 1984. A self-styled blue-collar or red-neck Republican, Gramm pitches his

appeal at working people.

Gramm is subtly different from the
Bush set. As a close student of economics

he draws a distinction between being profree enterprise and pro-business. He is fully aware of Adam Smith's warnings about the dangers of businessmen combin-ing together. Gramm is a strong believer in competition and free trade, making him-self unpopular with the sizeable Texan textile interests when he opposed a protectionist bill which would have helped that sector. And he notes a wave of xenophobic protectionism in Texas.

Talk by Robert Mosbacher and others

Talk by Robert Mosbacher and others about Government/industry partnerships worries Gramm. "It would be as if we were imitating the Soviets, rather than the other way round." He thought these comments might reflect the views of some of Mosbacher's friends and people in business. As we talked in Gramm's Senate office, Mosbacher phoned to discuss a date for a fund-raising evening for \$5,000-plus contributors. Gramm told the Commerce Secretary that his latest speeches were "moving in the right direction," away from industrial policy.

Gramm — described by one Democrat friend as "smart and meaner than a junkyard dog" — is best known for his budget-

yard dog" — is best known for his budget-ary initiatives. While accepting that the famous Gramm-Rudman deficit reduction plan has flaws, with the targets regularly exceeded, he claims as a big advance the fact that the Federal Government has become smaller relative to the private

Yet, while Gramm opposes expensive programmes, he believes in Texas getting its share – and more – of what is spent. Similarly, George Bayoud, the Governor's Chief of Staff in Austin, notes the number of the staff of the staff. of close connections which the state enjoys in Washington. A phone call to the White House will be answered by a friend and a problem listened to sympathetically. With all the furore after the Alaskan oil spill, Texans feel sure that the Bush administration will not do anything to harm the many small oil producers in the state — who have already been assisted by the Budget. For Texans, the oil depletion allowance, a tax break for oil producers, is second only to football in the list of basic

Yet for all the talk about free enterprise values and hatred of government intervention there is a paradox, some would say hypocrisy, about the Texan outlook. Washington matters far more than Texan partisans like to pretend. The state is heavily dependent on Federal money – for its many military bases, for reviving the fortunes of the space centre in Houston, for funding the new super collider atom smasher project and, most recently, for rescuing the savings and loans industry. As important as the White House in

funding these projects are Democratic leaders from the state in Congress. While Texas has lost one powerful voice with the eclipse of House Speaker Jim Wright, the state still has three chairmen of powerful House committees — agriculture, judiciary and banking. Over in the Senate Lloyd Bentsen, who

Over in the Senate Lloyd Bentsen, who defeated George Bush in 1970, has enhanced his position after his unsuccessful vice-presidential candidacy last year. As chairman of the Senate Finance Committee he deals with tax, trade and international debt issues — never to be forgotten with debt-ridden Mexico just to the

make Texas fashionable again in Washing ton with Tex-Mex food and a black-tie-and-boots party, it is these Democratic leaders who provide the state's continuing influence. They follow the advice of Sam Rayburn, the legendary House Speaker and mentor of Lyndon Johnson, who preached: "Pick 'em right, elect 'em young and hear 'en them "

The Long View

You can learn to love your mortgage

however, no more than a tem-porary sign of a change of trend. There is no need to move to an executive estate in Auchtermuchty.

4533.

Anchtermuchty.

The slowdown in the house price spiral is welcome to many. It marks, you might say, an ebatement of the economic coppression of the younger generation by the older age groups. House prices are bid up when the properties are transferred to younger buyers. The older generation protects its gains by its control of the planning mechanism: because of the inadequacy of supply of new homes, prices have shot up even in rural areas where land is plentiful.

There is a double effect because the transfer process is

because the transfer process is because the transfer process is financed by loans, the interest on which, at the risk of alight over-simplification, again amounts to a payment from yuppies to wrinklies. The nom-inal rate of interest has shot up-over the past year and could go higher still. However, a kind of economic revenge is available in the shape of inflation. If their standard of living is squeezed intolerably, people in their 20s and 30s will press successfully for offsetting pay increases. Then, those retired rentiers in Eastbourne had bet-ter watch out.

In spite of the burdens it imposes, you can learn to love your mortgage. Recently, I had

AN ENGLISHMAN'S home might be his castle but, in the past few months, a Scotsman's has apparently been a better investment. That is probably, he agreed that I was correct formally - but it was a ticket to the acquisition of wealth.

Perhaps I am out of date, but
in America householders were

quer could shrink the money supply simply by giving home-owners an incentive to pay off their mortgages. With the growth of endow-

ment mortgages — not to men-tion pension mortgages and, potentially, of PEP mortgages— there is also confusion between the loan and the savings plan which is designed to pay it off. A "mortgage" as understood commonly might. therefore, amount to a package of several quite distinct finan-cial products. This could be convenient for the borrower but, more cynically, such bundling arises because the lenders find it easier to sell products to customers on one of the



Low interest-rate mortgages of several kinds make a lot of sense – but not, however. as ways of borrowing even more

few occasions in their lifetimes - buying a house - when they venture vulnerably within the walls of a financial institu-

Notoriously large - but

are payable on mortgage savings contracts. At one stage, the tax relief on life assurance premiums gave some justification for structuring business in this way. But when young borrowers are fac-ing crippling monthly out-goings to service their debt, there seems little sense in requiring them to commit themselves to regular savings instalments at this stage of their financial careers. Yet, some 86 per cent are persuaded to do so, according to building

society figures.

A much greater priority should be given to smoothing out the real burden of payments. As I have said, inflation is a mechanism by which the borrowing classes can hit back at their usurious tormentors. But the effect is delayed. Very high nominal interest rates at present, of 13½ per cent or so — lead to heavy servicing costs. Only later does inflation erode the real burden of the debt. The overall effect is a very heavy front-end loading of the repayments in real terms. In effect, there is a heavy element of capital repayment rather than just servicing costs in the early instalments.

inflation of 10 per cent will cut the real size of a loan by half in just seven years. Over the past 25 years, inflation has actually averaged 8.7 per cent a year. If you assume the same will happen during the next quarter-century, a £50,000 debt aken out today will shrink in

real terms by 88 per cent to

only £6,200 by the year 2014. The life assurance industry has built a vast business on repaybuilt a vast business on repaying loans when they mature, when that repayment poses scarcely any difficulties.

Belatedly, the industry Is beginning to focus on the real front-end, rather than the bogus backend, problem. Nominal interest rates have been reaching historically high levels: in the mid-1970s, when inflation was much higher

inflation was much higher than it is now, building society mortgages cost only around 11 per cent. With the cartel busted, lenders want the freedom to raise funds at high rates and maintain their lending volumes. Therefore, they have a stronger incentive to design products which defer some of the initial burden. Low-start mortgages simply provide for the partial defer-ment of interest payments, and

add them to the capital. Foreign currency-denominated loans use a currency such as the DM, with a modest infla-tion rate and low nominal interest rates. Index-linked mortgages are based on real interest rates. All of these variations carry the risk that the outstanding balance will rise at a time when house prices could be dropping. But it is only seen as a significant problem because lenders are advancing too high a proportion of the value of housing assets which can fluctuate quite widely in real terms. These more affordable mortgages are ways of borrowing better, not of borrowing more.

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CONTENTS

XX XXX XXX How To Spend Its On hats Finance: Holiday money . XXIII Arts: Hoffman's Shylock Travel: Best British hotels XV-XVII Sport: Derby preview

UK MARKETS

The best deals for

foreign money

The holiday season is upon us, but what's the best route to take when it comes to changing your hard-earned spending money whether plastic. Eurocheques, travellers neques or cash? Sara



webb examines the many options and deals now on offer for the modern tourist. Page III

Cold comfort for British Gas

The state of the s

Results Due: The mild winter has knocked a hole in the fortunes of British Gas, with analysts expecting a net income of around £850m compared with £816m in financial 1988. Results are also expected next week from Powell Duffryn, Reed International. J. Rothschild Holdings, and Thorn EMI among others. Page IV

Go green for investment

With the spotlight on the environment - whether because of dying seals, the hole in the ozone layer or Mrs. Thatcher's sudden conversion to the cause - investors may wonder how they can best take advantage of the "green crusade." Patrick Herverson looks at the companies best placed to take advantage of the new environment consciousness . Page V

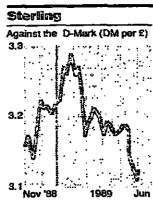
Smart numbers can beat unit trusts

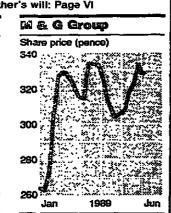
The unit trust groups are in hot pursuit of new business, but Kevin Goldstein-Jackson remains unimpressed. His advice? Put your money in self-picked shares and show the companies that individuals can do better. Page VI

Of cakes . . . and ale

Roy Hodson winds up his series on buying a pub by looking at training schemes for would-be publicans, and also meets a woman whose "exceedingly good cakes" led to a business opportunity. Page VI

BRIEFCASE: Cut out of father's will: Page VI





Sterling weathers the storm

Sterling managed to weather one of its most difficult periods this week after it came under intense selling pressure on Tuesday, despite last week's rise in base rates to 14 per cent.

The pound was particularly weak against the D-Mark, although somewhat more stable against the dollar. Over the

week the pound lost about 5 plennigs against the D-Mark to close at about DM3.11. Sterling still remains the key to future rises in interest rates but by the end of the week there was discernably less talk about them having to be raised to 15 per cent. Simon

Profits rise for M&G

Pre-tax profits at M&G, Britain's largest unit trust group, rose by 15.3 per cent to £12.32m in the six months up to the end of March. The group expects full year profits to exceed last year's figure although it admits that investor confidence In the UK remains "fragile."

Even so, the size of unit trust funds under management has increased from £3.53bn to £4.07bn in the half-year, while the number of unitholder accounts rose from 492,821 to 514,475. The unit trust management and related activities increased revenue by nearly 15 per cent to £18.8m. Sara Webb

Married couples' tax break

Married couples could save tax by rearranging how they claim mortgage interest relief when the new system o independent taxation of husbands and wives comes into effect next April They will be able to elect how to divide the interest relief. For instance, if one person pays tax at 25 per cent and the other at 40 per cent, it will be more advantageous for the higher rate taxpayer to claim the relief. If an election is not made, the Inland Revenue simply divides the relief equally between the two (or, if the house is in only one name, that person gets all the relief). More information about when and how to make an election is contained in a new Revenue leallet, Independent Taxation: A Guide to Mortgage Interest Relief for Married Couples (IR86), which is free from all tax offices. Richard

Name change for Schroder

NM Schroder Financial Management, the life policy, pensions, and unit trust group, is Changing its name to NM Financial Management with effect from next Monday. The Schroder unit trusts were originally part of the Schroder group until 1986, when National Mutual Life Association of Australasia bought up Schroder's life. pensions and unit trust business.

The group has unit trusts in most of the main sectors. Today, NM has funds totalling £1.6bn under management in

LONDON

Not much singing in the rain.

weekend failed to restore good spirits among equity traders this week and the FT-SE 100 Index headed down below the 2,100 level.

As May's sunshine gave wav to June cloud and rain, and another Underground strike snarled up traffic in London, the mood of the markets grew worse. By Friday lunchtime, Footsie had fallen by 7.5 per cent in under a fortnight. Sell in May and go away seemed the summit of worldly wisdom. So nervous were the markets

that a rumour that Nigel Law-son, the Chancelior, was about to resign and be replaced by Nicholas Ridley upset shares two days running. It was not clear whether it was the departure of the former or the arrival of the latter that caused the worries.

This is the kind of rumour it used to be Ronald Reagan's heart attacks and the dollar that gives traders an excuse to do what they want to do any-

FT-SE 100 Index

Blue Circle Inda

BAT Inds.

Gateway

Kingfisher

Racal Elec.

Tarmac

Racal Telecom

Acatos & Hutcheson

Anglia Secure Homes

Euro, Home Producto

Macdonald Martin A

THERE WAS nothing surprising about Wall Street's

reaction to the unexpectedly

weak employment figures announced yesterday morning.

The figures, which showed an increase of only 161,000 in US

employment payrolls, con-trasted with forecasts of

around 200,000 new jobs. Never mind that the slow-

down in May employment

growth was largely a mirror image of upward revisions in

Price y'day

2102.6

200

239

581

556

168

205

290

228

1870

269

525

490

347

319

-37.7

-15

-37

+23

-23

-34

+8

-24

+60

-28

+27

+38

-32

-20

way: sell. At times during Lawson's six-year Chancellorship he has been hailed as a financial wizard, but for the moment the markets seem to have lost a bit

of confidence in his economic policies. The trade deficit looks here to stay, with Warburg Securities looking for a further defi-cit of £15bn in 1990 (assuming base rates stay at 14 per cent), compared with the Treasury forecast of £11bn. And few peo-

ple believe that inflation will

peak at the Treasury's forecast of 8.5 per cent. Base rates seem to have risen far enough to slow down the economy but not far enough to prevent the pound from falling. The sterling index is still languishing just above 92, below the level that compted last week's base rate rise. This presents the Chancellor with a neat Catch-22.

mortgage rates will rise and

HIGHLIGHTS OF THE WEEK

2204.7

591b

245

460

614

294

334

345

1870

313

525

492

384

374

20712

If he raises interest rates again to support the pound.

LOW

181

236

157

234

175

275

boost the conventional measure of inflation, the RPL But if he lets the pound fall, he will import inflation via the higher cost of imports.

Although Japan increased its short-term interest rates by three-quarters of a per cent this week, the West Germans decided to leave rates stable, giving the pound a brief respite. The US employment figures on Friday also offered the prospect of a weakening in

US monetary policy.
The gilts market has been hit by worries over sterling and this week also fell foul of an economic policy debate. Some City commentators have argued that the Chancellor should return to "overfunding," the practice of issuing more gilts than is necessary to fund the budget deficit or, in current circumstances, buying back fewer gilts than are needed to offset the Government's surplus.
This week, it was said that

Treasury officials had been

1782.8 Sterling & interest rate worries

interka figs. June 6.

419 Interest rate fears.

Sharp fall in Interim profits.

Chairman's profits warning.

Oversold after poor results

1335 Full-year profits up 83%.

178 Doubts about MBO.

226 Interest rate fears.

Suggestions of high valuation in US.

Bidder isosceles offers 210p a share.

Brokers downgrade & profit-taking.

Asset valuation by Goldman Sachs.

158 Asset valuation by Goldman Sachs.

FT-SE 100 Index FT-A All-Share Index 400 300 1400 1983 1984

a profits wathing at European Home Products, the Singer sewing machine distributor. It was not all bad news.

Siebe, the controls, engineering

and safety equipment group, announced an above-expecta-

tions 30 per cent increase for

For the moment,

the markets seem to

have lost a bit of

confidence in Nigel

Lawson's economic

policies'

the year to April 1 and said that the current year had started well. Two property

companies, MEPC and Imry Merchant Developers, both

reported better than expected

company.

asked to investigate the conse quences of a reduction in the current level of gilt buy-backs. The argument is that the presence of the Government as a ready buyer has kept gilt prices high, and thus long gilt yields artificially low.

If fewer gilts were bought

back, the argument goes, gilt prices would fall and yields rise. Higher interest rates at the long end of the market might encourage foreign inves-tors to buy gibs or UK inves-tors to repairiate funds, both of which would help support ster-

Some British companies, of course, are only too happy to see the pound fall, thereby increasing the sterling value of their overseas earnings and boosting their export prospects. And the market seems due for a spell of examining the prospects for the corporate sector rather than the economic entrails.

The news this week was not that encouraging. British Tele-com's fourth quarter profits were flat at £575m and its annual profits grew by just 6.3 per cent to £2.44bn. The company blamed a general slow-down in the economy for its

luggish performance. The travails of the retail sector were amply illustrated. Storehouse, Sir Terence Conran's group, revealed a plunge in annual pre-tax profits from £1149m to £11.3m and Habitat, the home furnishings chain which was the basis of the Conran empire, made a loss.

However, it does seem as if the number of companies reporting bad results, or giving profits warnings, is on the increase. The harder the Chancellor tightens the screw on interest rates, the more corporate profits look likely to suf-

Such gloomy thoughts have

yet to deter corporate preda-tors. This week Isoceles, the Meanwhile A Goldberg, the fashion retailer, made its first special company put ingether to hid for retail group Gate-way, increased its offer and bought 5 per cent of its prey. The new offer gives invesloss in 50 years as a public There were also lower profits at Westland, the helicopter group, a loss at United Scien-tific Holdings, the defence equipment manufacturer, and

tors the chance to retain an equity stake if the bid is successful. Gateway remained unimpressed and rejected the increased bid; but the odds may have shifted in favour of

A bid may yet be in prospect for Molins, the cigarette machinery maker, following the decision of Str Ron Brierlev's TEP Securities to out its 29.2 per cent stake up for sale. If no one tenders for the stake. IEP says it will make a full bid at the tender price - 190p per

This tactic was successfully used by Dick Pratt's OVS Investment last year to flush out a bidder for the glass group Redfearn. Swedish packaging group PLM duly launched a bid and OVS was able to dispose of its stake.

Sir Ron Brierley is generally perceived as one of the more shrewd stock market operators and — although IEP increased its stake in Union Discount this week — he has been sell-ing a lot of stock this year. One more omen for the bears.

■ The chart published last Saturday showing the FT-A All-Share index deflated by the Retail Price Index was incor-rect. The correct chart is shown

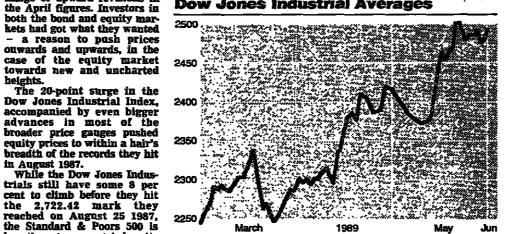
(JUNIOR MARKETS)

Have the cycles stopped turning?

261 ½ Profit-taking.

WALL STREET





less than 4 per cent below its peak level of 336.77 and the Nasdaq index of month longer for the market hit its all-time high and two more months to plunge 1,000 over-the-counter stocks needs to make only 1.5 per cent of further headway to reach the record of 455.26 set on August

There are a number of suggestive similarities between financial conditions today and in the summer of 1987. Then, the last time equity prices reached these levels, it is hardly surprising that the as now, bond yields had fallen to around 8½ per cent after hovering for a while around the 9 per cent mark. Then as now, the dollar had strength-ened markedly in the month before the market took off from Y142 in mid-June to a peak Y153 on July 17, the day the Dow first rose above 2,500. Then as now, the talk on Wall Street was about the volume of

mistakenly decided to sit on their money as the market

The arguments put forward by the bulls are more funda-mental. With growth in the US economy clearly slowing, nobody seems to fear any longer that inflation might accelerate beyond its current underlying rate of 5 to 6 per cent. This seems to give the Federal Reserve Board ample opportunity to start cutting interest rates, keeping the economy on a steady non-inflationary expansion without any apparent time-limit.

For years now, sceptics have warned that no amount of supply-side wishful thinking or monetary fine tuning could ultimately abolish the busi-

ness cycle. As things appear today, however, the Fed seems well on its way to proving the sceptics wrong. Perhaps the classic business cycle has been tamed after all, to be replaced by a carrier of cycle? series of smaller and much less disruptive sub-cycles in individual industries and regional economies. If one looks at Texas and the mid-West industrial heartland, or at the semiconductor industry

and the agricultural sector, for instance, one can easily argue that mid-1980s were a time of severe recession, while the period ahead should be one of cyclical recovery rather than

Of course, much of the recent strength in the US industrial heartland has been a reflection of the abrupt decline of the dollar since the beginning of 1985. Ironically, however, the dollar's astounding strength in the past few months seems to have put the last nail in the coffin of the end of cycle argument. For if there was one reason to fear a sudden loss of control by the states loss of control by the Fed, resulting in a severe inflation or a recession or both, it was the possibility that the dollar might collapse, if foreign investors and central banks lost patience with the US trade deficits.

Under present circumstances a fall in the dollar is the last thing that worries Wall Street. But the same could have been said in July 1987. Four months later, it was a semi-public row about the tottering dollar between the US and German governments that finally unleashed the crash of 1987. As anyone in Britain knows too well, it is a rash investor who puts his faith in the fickle foreign exchange markets. Closed

2.476.55 - 18.22 2,480.15 + 4.60 2,490.63 + 10.48 Anatole Kaletsky

The long and wound-up road

AFTER SEVEN long, hard years on the road, Bio-Isolates — one of the most faded of former glamour stocks - may

have finally arrived. On Tuesday, the company, which makes protein from whey, announced its first full year's profit. It also revealed that two Japanese giants, Meiji Milk Products and Mitsubishi, were investing £2.3m in return for a 22 per cent stake and dis-

tribution rights in Japan, the company's leading market. The deal, which also included a secured loan of £2.53m, should boost the fortunes of its main product,

Bipro.
Manufactured from the waste product in cheese making, this is a taste, fat and cholesterol-free substitute for animal protein and egg used in products ranging from ice cream to protein-reinforced drinks for athletes. The news sent the shares up

15p to 53p, which for those who experienced the low of 11p in 1987, might seem a heady sum. The same, however, would not be true for those who bought shares after the wildly enthusiastic launch in 1982, when the shares veered from a flotation price of 33p to a giddy 425p. Persistent losses, how-ever, rapidly punctured the euphoric mood and the shares rapidly sunk to less than a tenth of their former high.

Perhaps Bio-Isolates deserves plaudits for its sheer tenacity. Of the other start-up ventures launched in the pio-neering days of the USM, few have prospered.
A common pattern has been

a heavily hyped launch accom-panied by over-optimistic pro-jections, then years of floun-dering which culminate in receivership, a takeover or a radical change of direction. Perhaps the most ill-fated of

these was Hesketh Motor-cycles, which was one of the original 11 companies at launch of the USM.
Hailed as the saviour of the
UK motorcycle industry, it suf-

fered severe production delays and eventually went into liqui-dation due to lack of funds. Another infamous example

was Nimslo, a company that floated in 1981, capitalised at an astounding £250m. However it ran into loss when it failed to find a satisfactory market for its 3D camera and processing system. In 1983 it turned for support to Fred Olsen, the Norwegian shipping group. This relationship led in 1988 to Olsen taking the bulk of Nimslo's shares, in return for Oil & Gas Construction, an offshore engineer and tanker owner. The company, now called Fair-haven (and still trying to sell 3D cameras in the US) is now making modest profits.

Another misadventure con-

cerned Xyllyx, a manufacturer

of a coin-operated viewdata system, that failed to win orders and was stricken by bitter boardroom rows. Its shares have been suspended since

Hobson, which had a new process for aluminium die manufacture, was another flop. After continual losses, it even-tually moved out of die manu-

ended up paying back half its flotation proceeds to sharehold-ers and eventually it was taken

Bimec, formerly known as Bio-mechanics, which developed a technique of waste disposal that generated power from its

to a head in 1987. At that stage, a new management moved in and, after a rights issue, made a number of acquisitions. A small profit is expected There are also fairly optimis-tic signals from Omnitech,

developer of an innovative packaging machine, which came to the market in June

29p compared with a placing

exploit the newly-discovered hologram technology. It remains optimistic but in spite of a rights issue in 1987 and a periodic orders ranging from childrens' cereal boxes to cheque guarantee cards, the company has yet to make a profit.

off, and now hopes are pinned on new management and a heavier emphasis on market-

But even if these companies do at long last move into the black it is clear that, as trading investments, they have been little short of disastrous. As a result, sponsors have long been extremely wary about start-ups and have increasingly directed would-be USM debutantes to other sources of capital such as the Business Expansion Scheme, the venture capital industry and, since 1967, the Third Market.

Venessa Houlder

simple. The first time the Dow money flooding in from for-pushed through 2,500 was in eign investors and over-cau-mid-July 1987. It took only a tious institutions who had Short-term worries, long-term potential for BT

FOLLOWING Thursday's will get as much, an award in announcement of fiat final quarter pre-tax profits of £375m. British Telecom's share price fell back its prospective to put up its prices from price-earnings ratio is now just under 10 - a discount of about

15 per cent to the market. Is BT now selling on the cheap? Or should investors opportunity and that prices shed their holdings? opportunity and that prices will rise by about 4 per cent on

BT's profits' slow-down are the general slackening in economic growth, and higher inflation. BT has frozen its prices since November 1986, but wage and other costs have continued to increase. At the same time, the com-

pany has been feeling the pinch of tougher competition from its smaller rival, Mercury Communications, especially on international and long distance traffic - some of its most prof-

itable business. rosy. BT's main union has just put in a wage claim of 13 per

the 8 to 10 per cent range looks

Although BT will be allowed August, the maximum increase is 4.5 per cent below the rate of inflation in June. The expectation is that it will take the shed their holdings? will rise by about 4 per cent on The immediate causes of average, but this will still mean that the company needs to achieve a 4.5 per cent growth in productivity just to maintain its margins.

The longer term has both more opportunities and more be to enhance the quality of its core phone business at home while diversifying into fastgrowing markets overseas in an intelligent way.

There has already been progress in improving quality of service. The company's £3bn The short term does not look annual spending on modernising its notwork should give a further improvement to quality cent. While few people think it and also enable BT to maintain

its productivity gains.

26 that year. The Dow Trans-

portation Index, meanwhile, is

already some 5 per cent above

excitement is becoming palpa-ble, not only among the bulls

but also among the dwindling minority of bears on Wall

The reasons for the bears'

excitement are obvious and

Furthermore, BT's market eems certain to keep on growing at an underlying rate of 5 per cent a year for many years to come. Communications are integral to the development of sophisticated economies, and we will all be using the phone, fax and other telecommunications services much more in 10 vears than we are now.

ing large businesses much greater freedom in choosing how their communications needs should be satisfied. It is also intent on licensing at least two new mobile communications companies.
The Department of Trade & Industry is also thinking of

networks later this year, allow-

making companies pay an eco-nomic price for the use of the

BT's most challenging task will be to run faster overseas, while growth is held back at home

that the Government and Oftel, the telecommunications' watchdog, are determined that Even more important, per-new competitors. Mercury is haps, is the Government's not the only one of these. BT's promise to review its duopoly mobile communications subsid-policy, which limits competimobile communications subsidiary, Cellnet, is already meet-

Set against this is the fact radio spectrum. Since BT uses vast tracts of the spectrum, it could be in for a hefty bill.

tion on the basic network to ing a strong challenge from BT and Mercury, at the end of Racal Telecom.

BT and Mercury, at the end of next year. Already right-wing The Government plans to think-tanks such as the Instiopen up the market for private tute of Economic Affairs are

BT's most challenging task will therefore be to run faster overseas, while growth is being held back at home. In this race, it has a window of opportunity of several years. One of the advantages of

calling for more competitors.

having to cope with the liberalised UK market is that BT should be able to take on the more staid telecommunications operators overseas. While the US "Baby Bell" telecommunications operators are becoming more dynamic, it will be several years before their counterparts on the Continent of Europe follow suit. BT has flagged three major areas in which it has ambitions

to expand internationally: mobile communications; data communications services; and operating networks.

The question is whether it has an adequate strategy for exploiting these opportunities.
Is it prepared to be aggressive in entering foreign markets, or will it be afraid to rock the

boat by challenging its erstwhile colleagues in the interna-tional telecommunications club? And does it have the entrepreneurial and manage-rial skills to manage such a diversification?

The evidence so far is mixed. Although BT's top management is naturally cautious, it has made one major foray abroad. In January, it spent \$1.5bn for 22 per cent of McCaw Cellular Communications, a loss-making US mobile phone Company.

Analysts are divided on whether this was a brilliant strategic step or a foolish waste of money. However, with authorities on

both sides of the Atlantic anxious to see more competition in telecommunications, it seems unlikely that McCaw will ever be able to earn the sort of monopoly profits its largest shareholder clearly hopes for.

Hugo Dixon

facturing into overseas trading. Synterials is yet another example. This maker of components from synthetic materials experienced such delays that it

over by BBA at a fraction of its However, some of those start-ups which have stuck to their original goals show glimmers of encouragement. Take

Its losses mounted and came

Last year it started manufac-turing and it reported a mea-gre pre-tax profit of £18,000. The share price, though, is still depressed the shares stand at

price of 33p.

The jury is still out on Applied Holographics, which came to the market in 1984 to

A question mark also hangs over Maxiprint, which joined the USM in 1985, having devel-oped some nifty equipment for enlarging photographic prints. However, orders failed to take

How to avoid counting the cost of foreign travel

PITY THE poor chap who thought he could pay his hotel in the City can supply you bill in Cairo with a Euro- with foreign currency immedicheque, only to have it politicly refused by the cashier in spite of the fact that Egypt is supposed to be one of the countries where Eurocheques are accepted. Or the woman who had banked on using her Mastercard to buy all her train tickets while on holiday in Spain and Portugal, only to discover that the card was demagnetised and, therefore, unacceptable to the clerks at

the railway office. if you want to avoid such unexpected jolts to your travel budgeting plans, the best way is to take a mixture of plastic, cash and travellers cheques. But bear in mind the following level of charges and commis-sions you might have to pay. Cash: You will need to take some foreign cash with you, especially if you know you will be arriving late at night or at the weekend when all the banks are closed. That way, you avoid the poor exchange rates and excriniant commissions that many hotels

charge their customers for travellers cheques and sterling. Usually, the best way to buy your foreign currency is at a high street bank in the UK where commissions range between 0.5 to 1 per cent, or at one of the larger building soci-

Barclays charges a commission of 0.5 per cent (maximum charge of £10), while the Halifax charges a 1 per cent commission on foreign currency with a £1.25 minimum charge per currency. Thomas Cook levies a 1.5 per cent commission with a minimum charge of £1.50.

with foreign currency immediately, you could need to order your currency as much as

At any rate, the places to steer clear of are the small exchange boutiques — even if they seem to offer a better rate, they often charge a much higher commission on foreign

Of course, for some countries - particularly in the Eastern Bloc - it is impossible to buy the local currency in advance or there may be restrictions on how much of the local currency you can bring in with you (so check beforehand with the tourist office or the money could be confiscated on arrival).

Normally, the exchange ra for sterling cash abroad is worse than for travellers cheques unless you can make use of the black market in some of the Eastern Bloc coun-

If you are taking a lot of cash with you, make sure that you are covered by your travel insurance policy in case it is stolen. You might find there is a fairly low limit when it comes to cover and, obviously, you won't get much sympathy if you do not take adequate precautions against thieves or leave your pulpebles. leave your valuables unguarded on the beach.

		•	four cost o	of holiday	iving - sum	nmer 1989	9		
 ,	3 course dinner (per person)	Bottle of wine (one litre)	Cup of coffee	Beer – half litre	Camera Film 36 prints, 35mm	Sun Cream medium size	Taxi (5km dist.)	Car Hire (1 week)	Petrol (20 litres)
Algarve	00.8 2	£ 1.20	20.40	20.60	€4.00	£2.60	5500	£115,50	9.00
Madiera	£ 5.50	€ 2.50	20.30	£0.45	23.50	£1.85	52.60	£131.00	€ 8.94
Cortu	2 8.00	£ 2.00	£0.60	£0.80	€4.00	£1.50	£3.50	£180.00	€ 5.50
Kos	£ 5/9	£ 1.80	£0.36	£0.91	£3.60	€2.90	£1.00	£238.00	£ 5.60
Сургия	£ 4.87	£ 1.20	50.60	20.60	23.65	20.60	£2.50	£115.24	£ 6.20
Marbella	£12/15	£ 4.00-	21.00	80p-£1	€3.50	23.00	£5.00	£115.00	£12.50
Majorca	£20.00	£ 1.50	£0.50/75	21/1,50	£4/5	€3/4	£4/5	2100.00	£10.00
Minorce	210.00	£ 1.00	20.40	20.60	£4.50	£2.50	22.50	£150.00	£ 7.00
lbiza ·		ደ 1.00	20.50	20.60	£3.20	23.50	£2.75	£175.00	€ 9.25
Gran Canaria	£ 7.50	ደ 3.76	£0.40	€1.50	£4.50	23.60	21.00	£105.00	£ 5.00
Maita	2 6.80	2 1.36	20.34	20.30	£3.91	\$2.00	28.50	£ 77.35	£ 8.50
Tunisia	£ 5.00	£ 1,25	£0.30	£0.50	€2.80	\$2.80	£1.58	£175.00	€ 4.60
Italy	£12.50	£ 2.50	20.26	£1.25	£3.54	£4.17	Ω8.25	£118.67	£11.33
Gambia	£11.72	£ 8.00	20.42	20.60	£7.00	25.00	22.50	2200.00	2 9.00
Florida	£10.85	24,75/6.50	20.60	£1.25	\$2.75	£3.75	26.40	€ 40.00	£ 3.80

shop around.

For example, Peckham
Building Society offers its customers travellers cheques
(Thomas Cook, major currencies) free of commission and,
obviously, there is nothing –
apart from a bit of tedlous paperwork – to stop you from
opening an account simply to
take advantage of this. Kent
Relignes Building Society Reliance Building Society offers sterling travellers cheques (Amex) free of com-mission but foreign currency cheques are subject to a fee of

cheques are subject to a fee of 1 per cent. Leeds Permanent charges 0.5 per cent on sterling and 1 per cent on foreign cur-rency travellers cheques. Otherwise, you will have to pay a commission for sterling or other currency travellers cheques, usually in the range of 1 per cent (15 per cent for of 1 per cent (1.5 per cent for Citibank Savings). Minimum charges vary from £1 (Citibank Savings) to £3 (Thomas Cook). The Halifax charges a 1 per

cheques and tells customers to in the US. order seven days ahead.

American Express usually charges a commission of 1 per cent. But if you buy your holiday at an AMEX travel agent, you get up to £1,000 of travellers cheques commission free. There is also usually a second commission to pay on cashing sterling, and sometimes on foreign currency, travellers cheques, too. order seven days ahead.

travellers cheques, too.

Amex travellers cheques can be cashed abroad free of commission at an Amex office and the same goes for Thomas Cook foreign currency cheques although in some countries, such as France, Belgium and Holland there are compulsory

It usually makes sense to take a mix of low and high denominations. Take dollar cheques to North and South America, not sterling, and remember you can use dollar travellers cheques like ordinary cheques to pay for goods

At the same time, remember that with travellers cheques you are paying money up front which could be earning inter-

est in your deposit.

Leftover sterling cheques can simply be paid back into your bank account without attracting extra commissions but foreign currency cheques are expensive to change back. Stick to the better-known cheques which are more widely accepted, such as Amex, Thomas Cook, Visa and Citi-

■ Rurocheques. Burocheques, backed by the Eurocheque card, provide a convenient way of paying for goods, hotel bills and local currency on the Continent. However, they are not accepted widely in places like eastern Europe and certain other countries where they are supposed to be acceptable. They are also expensive to use. The Eurocheque card costs

between £5-£7 per annum,

depending on which bank issues it. As one customer put it: "I was horrified recently we were charged £7 each (joint account) for Eurocheque card renewals, £14 for two tarty bits

of plastic."
Your bank will charge a commission of 1.6 per cent on the face value of the cheque, and there is a handling charge of about 30p per cheque or if you use the card in a cash dis-

penser abroad.

The cheques take about two weeks to order from the bank, so don't leave things to the last minute. One user complained that his bank demanded he send back the old card (cut in half) before they would issue a new one, by which time he had left on holiday.

The cheques are written in

local currency with a limit of around the equivalent of \$150-£100 (in some countries you have to write the cheques in dollars), and the exchange rate is usually the retail rate. Your

say that if you are charged at a you settle your statement bank in the Eastern Bloc, they will generally waive the 1.6 per cent charge.

■ Plastic cards. While Chartcellor Nigel Lawson might pre-fer to discourage the use of consumer credit, the fact remains that plastic cards are usually the most convenient accessory in the travel money pack for anyone going on holi-

The plastic card companies have all expanded the number of outlets they have worldwide in the past couple of years, making it more convenient for cardholders to spend abroad and pay later when they return home. They are accepted widely in banks, shops and hotels (although they may not be so welcome at small pensions off the beaten track).

The benefit of plastic is that it allows you to defer payment, leaving your money on deposit and earning interest while you are away — although there is a risk of losing out because of fluctuating exchange rates. However, the exchange rates are usually wholesale rather

Money can be withdrawn from cash dispensers or at a bank provided you bring along your passport. With some cards, you have to pay interest

on the cash advance.

For example, Access charges interest from the day you withdraw the money (one way to cash from the PLUS system.

account is debited as soon as it reaches the bank's clearing department, which could be a matter of days or weeks.

An additional difficulty is that some banks abroad may try to impose extra charges (which you should refuse to pay) although the UK banks say that if you are charged at a voir settle your statement.

immediately.

If you hold a Visa card Classic Account, then withdrawals of foreign currency abroad do not attract the normal 1.5 per cent service charge Instead, the amount is debited directly from your interest-bearing account for currency transactions while any retail purchases are debited within a month. You can withdraw the foreign currency equivalent of up to £250 a day.
With Amex, you can use

your card to guarantee an ordi-nary British cheque and with-draw £500 (the equivalent of £100 in cash and the balance in travellers cheques) in a 21-day period with no commission. Gold cardholders can withdraw £1,000 (£250 in cash and the rest in travellers cheques). If you use the dispensers which give out currency and travellers cheques (Amex boasts of having two in Moscow which dispense rou-bles and dollar travellers cheques), there is a 1 per cent commission on cash and a 1 per cent commission on cheques. The money is debited directly from your bank If you belong to the LINK network (which is used by Co-op Bank, Girobank, Abbey National and several of the other building societies), your card can be used to withdraw

NATIONAL Westminster has put up interest rates for some of its savings accounts, and for overdrafts, following the recent

However, as usual, the rise in the savings rate doesn't match up with the higher cost of borrowing. The interest on NatWest

investment accounts and monthly income has gone up by a mere 0.25 per cent. There are slightly higher increases, between 0.25 to 0.75 per cent, for deposits in the bank's Spedial Description cial Reserve accounts.

In contrast, the effective annual rate for unauthorised overdrafts is going up nearly 1 per cent to 332 per cent, and from 22.1 to 28.2 per cent for

arranged borrowings.

Midland Bank, meanwhile,
has increased the rates on its
high interest deposit bonds to

peak levels.

The highest net rate, for deposits of more than £2,000 held for six months, has been increased from 9.6 to 10.5 per cent net, after deduction of tax, with interest paid at the end of the period.

if you want monthly payments, the rate comes down to 9.65 per cent. For 12-month deposits the top rate is 10.2, with monthly payments at 9.5

General Portfolio Life Insurance, for example, is now offer-ing guaranteed income bonds that pay standard rate taxpayers a net return of 11.25 per cent over one year. Higher rate taxpayers are liable to pay

Good news for savers — up to a point

Minimum investment is £1,000 but, if you put in more than £5,000, you have the option of receiving monthly income instead of one annual

payment.
The rate paid is particularly high for single-year bonds; by comparison, the net rate for two-year bonds is 9.75 per cent, three years 9 per cent and four years 8.75 per cent. Cheltenham & Gloucester Building Society has launched a high interest investment

account, which is available as a postal service only. Called the London Share account, it will not be offered at any of the Minimum investment is £2,500 and it pays interest monthly at a rate of 10.03 per cent net, equivalent to a compounded annual rate of 10.5. You can make postal withdrawals instantly without least

drawals instantly without loss of interest providing you retain a balance of £2,500; otherwise, you have to give a month's



Building Society Shop in Not-tingham, which was set up four years ago and monitors the best possible rates avail-able for savers with a miniyou have to give a month's able for savers with a mimmotice.
With interest rates firming up, it is worth shopping around to see who is paying the best.
You can cover building society rates for free by using the

ments — monthly or annually.

Any cheque is made out to the building society selected. There are charges, since the Building Society Shop relies on commissions paid by the societies (although it claims that its advice is completely independent of whether it presides. commission or not). It is authorised by the Financial Intermediaties, Managers and Brokers Regulatory Associa-tion (Fimbra) and is bound by the "best advice" require-

HILL OSBORNE has come up Sir Harry Secombe: launched a guide to wills

preference share.

The return varies according to your age and sex, but for older people it can provide a guaranteed monthly income equivalent to more than 10 per cent net annually for basic tax-

payers.
Under the scheme, roughly half your total investment is used to buy a temporary annuity that provides a fixed income for the next 6% years. Much of the income from the annuity is exempt from tax,

since it is deemed to be repayment of capital.

The remainder of the invest

ment is put into a City of Oxford investment trust zero coupon preference share that pays no income but grows in capital value to replace the sum spent on purchasing the annuity. So, at the end of the period you get back the origi-nal sum invested.

COMEDIAN Sir Harry Secombe this week launched a special guide on making a will prepared by the National Socipaspered by the National Society for the Prevention of Cruelty to Children. The NSPCC says its income from legacies fall last year and it feels many people do not realise that charitable gifts made in a will are free of inheritance tax and can, therefore the product of the characteristic of the characterist therefore, be used to reduce your tax bill. The guide, avail-able free from the NSPCC, is called Caring for the Future.

THE LABOUR Party's attitude to personal equity plans (PEPs) will be explained by Chris Smith, the Opposition front bench Treasury spokesman, at a conference in London next week. Organised by Millstream Europe, it is called "PEPs and their impact on personal investments and mortgages" and will be held at the City Conference Centre on Wednes-day, June 7.

John Edwards

Banking on a hunch

IMAGINE BEING able to step into an office in the high street of any large town where you could receive within a minute or two details of exactly which life assurance policy out of all those available on the market most suited you.

This is precisely what
National Westminster, the
UK's largest clearing bank, is
planning to offer the public
this summer, after more than a
year of investment in setting up systems for the mass delivery of independent financial

Only a few of the larger banks and building societies pretend to offer their customers independent advice on insurance and investment, having chosen to opt under the 1987 Financial Services Act to become "tied" - committed to selling the products and services of only one company.

NatWest is throwing down
the gauntlet to its competitors.

But it is also taking a calculated risk, which will rebound on it if the service does not live up to customer expectations.

Will NatWest, already the largest independent broker by far, really be able to offer the entire country tailor-made financial advice to compare with that available from

smaller brokers?
Staff in the big clearers are not renowned for their customer-friendliness. How will Nat-West's staff respond to the challenge of coping with an avalanche of enquiries? Equally, does the man in the street really care about inde-pendent advice: there are lot of signs that he does not. To make a success of their cam-paign, NatWest will have to reverse public indifference.

The public has shown no signs of concern at the general preference of banks and building societies to go tied and so collect the higher commissions insurance companies pay to

their tied outlets.

Last April, when the Financial Services Act came into force, all but one of the top 10 building societies chose to reg-ister as independent advisers. Now only three are — and the

Now only three are — and the hetting is heavily on the others to go tied as well.

Of the larger banks, Barclays, Lloyds, Midland and TSB chose to be tied from the outset. The Royal Bank of Scotland and the Bank of Scotland have so far stayed indepen-

dent.
NatWest has so far kept a low profile about its independent status, leading many observers to suppose that it too might go tied eventually. This would have meant the virtual disappearance of easily accessible independent advice for hopes to move on to providing most people not able to go to computerised advice on pen-

FINANCIAL ADVICE

specialist brokers. This week. NatWest have no intention of going tied, but it has spent the past 18 months setting up a formidable services. advisory service for its custom-

ers and the general public.
This includes a computerised service called Action Quote in

There will also be a larger number of first step advisers -known as "financial services known as "financial services general practitioners" — to help guide customers towards the right specialist adviser. "We will sell whatever policy comes up as best for a cus-tomer out of all those available on the market," says Tim Blyth, a bank official. "If a Bar-clays policy or a Lloyds policy

clays policy or a Lloyds policy turns out to be the best for a particular customer, then that is the one we shall advise him

Bank staff have not always been very receptive to customers seeking specialised ser-vices. NatWest is spending £500,000 on instructing its branch staff on how to handle independent advice enquiries

from the public.

"At least initially, we shall probably be very happy to let people try out our system to test the products they are being sold by other against independent advice." build by other against independent advice," says Derek Wanless, director of retail banking services.

Being a bulk provider of financial services and offering top quality to customers is a daunting ambition. However insurance industries are such a high profile is potentially one of the succession to give its financial advisory services such a high profile is potentially one of the succession.

insurance industry experts privately declare themselves impressed with the quality of the technology and managerial services which NatWest has

set in place.
Once the life assurance operation is under way, NatWest

sion services. There will also be independent advice from announced that not only did it staff on choosing insurance bonds, unit trusts, retail brok-ing and portfolio management

Most recent public discussion about independent finan-cial advice has been tinged 1,000 of its 3,200 branches, and the creation of a workforce trained to give advice on pensions, insurance, personal financial planning, and an insurance salesforce of about 250 by the end of the year.

There will also be a lambar of the personal trained to give advice on pensions, insurance salesforce of about 250 by the end of the year. to go on providing it on finan-cial grounds," he says, point-ing out that the bank's insurance commission rose by 46 per cent during the first quarter of the year.

The secret lies in NatWest's sheer size. Because of its 6mstrong personal customer base, the bank is able to sell policies in amounts which induce insurance companies to pay it commissions much larger than are usually paid to independent brokers.

Confident of its ability to

cope with large numbers of enquiries, the bank is to spend 25m by the end of the year on building public awareness of its independent advice offer. As a sample of what is on offer, those interested in investment advice, rather than pensions or insurance, can try Security Plus, a scheme which selects suitable insurance-

cial Services Act became law. If it works, it is hard to believe that people will indefinitely remain satisfied when other banks and building societies automatically dish out their own proprietary products to their customers.

David Barchard

Slow death of a friend Free in name only

THE DIFFICULTIES facing Fleet, one of the middle-sized friendly societies, in recent weeks have cast a less than genial arms over these relics of the Victorian age. They have left many people wondering whether friendly societies pro-vide a safe home for their savings or whether they should perhaps withdraw their funds. For some of the problems which Fleet has could apply to other friendly societies in future since they stem from a recent change in legislation.

....

Jack * S

Fleet's actuaries announced a couple of weeks ago that it was actuarily insolvent. As a result, the society transferred \$200,000 from members' benefit funds (the equivalent of 1 per cent of the funds) into a contingency reserve to deal with its difficulties. On Wednesday, it told a few

of its 14,000 members at its AGM that its funds now exceed. its actuarial liabilities, so it is not actuarily insolvent and does not anticipate using the money in the contingency reserve which is still invested in building society accounts

and unit trusts.

According to the chairman's statement: "It is our objective to run the society so that the contingency reserve can in the course of time be released for One reason Fleet finds itself

in difficulty is because it fought a lengthy battle with the Inland Revenue over the withdrawal of life assurance premium relief (LAPR) in 1984. It won eventually but incurred

every third year — to show that the margins on the soci-ety's business are sufficient to meet its expenses; a change which should ensure that problems are detected sooner.
As 1968 was the first year that the regulations took effect, the problems at Fleet were thrown up perhaps somer than expected. This has raised questions over whether the other 36 friendly societies doing long-term insurance business, which are affected by the new ruling, will prove actuarily insolvent, too. They have to report to the Registrar have to report to the Registrar of Friendly Societies, the gov-ernment body which is sup-posed to protect members'

up to three months.

However, if any investors are worried, it might not make sense to pull their money out now. The difficulty is that if you do surrender policies early, under the special rules applying to friendly societies high costs in the process.

"We were critically dependent on those extra policies," says James Rowlatt, chairman the investment growth to date.

of the committee of management at Fleet.

The second blow came when regulations requiring the annual assessment of solvency on a "worst case" basis came in during 1967. As a result, the actuaries have to prepare a valuation every year – instead of

Fleet's problems

could apply to

other friendly

societies

Once the providers of self-help and sickness benefit to the artisans and working classes before the introduction of state benefits, the number of riendly societies has dwindled to about 500. Their attractions have diminished steadily during the 1980s – some might say they are being allowed to die a slow death.

The maximum tax-exempt monthly investment was reduced from £20 to £9 in 1984 and led to a marked drop in the number of new politices. The small sums involved make it difficult for friendly societies to compete with large volume

to compete with large volume competitors, where cost savings can more than offset the absence of tax concessions. A further blow is the revitalisation of personal equity plans (PEPs), which now provide an alternative tax-free investment. Fleet maintains that its costcutting programme already means that "income will be higher this year even if we do no new business." But Rowlatt

name, it is not going to prove easy to drum up business. The alternative is to transfer policies to another friendly interests, by June 30 although policies to another friendly they can delay their reports for society. Fleet has already been in contact with Family, Home Owners, and Lancs & York

about such an option and is awaiting the outcome. Whatever happens to Fleet, it seems likely that the number of friendly societies will con-tinue to decline as competitive pressure builds up.

THE BANKS have spent the past six years proclaiming the arrival of the age of free banking. In many cases, though, they still get away with charging their customers for all sorts of transactions, according to a report
published by Which? the
Consumers' Association
magazine, this month.
These charges can range

These charges can range from stopping a cheque to paying foreign currency cheques into an account or for using a safe deposit box. Furthermore, they often do it without warning. Most people do not discover they are paying charges until their statement drops through the letterbox.

With some bank accounts.

With some bank accounts. you risk running up charges of about £50 if you overdraw just once without asking permission, the report says. It adds: "People should be told all the possible costs of the hanking service in advance."

to avoid in order not to incur unnecessary charges. These Midland Meridian and Vector, and TSB Scotland Klect, which charge a fixed monthly fee even when you

are in credit.

"Traditional" high street

The magazine lists accounts

accounts where you have to pay transaction costs for cheques and cash withdrawals, or an administration charge (for example, if you overdraw without permission). Accounts that work on a fixed fee basis if you know you are likely to overdraw more than £100 regularly and without permission.

The magazine says

accounts which charge interest only on the overdraft. It names Abbey National
Current Account, HFC Current Account Plus, Nationwide Anglia FlexAccount, Northern Rock Current Account and Robert Fleming/Save & Prosper Classic Account as

the best buys for minimising

charges once you are overdrawn, and earning a good rate of interest when in Building societies emerge slightly more favourably in the report when it comes to using "occasional" services such as sending a banker's draft or building society cheque, authorising cheques, and ordering duplicate

statements of your account.

The magazine points out that many banks give managers leeway when deciding when to take action that could lead to a charge being imposed, or even whether to charge at all, whereas building societies are more likely to fix charges and leave less to the manager's

In fact, the bank managers Which? questioned said that when they were deciding whether to impose a charge, they asked themselves these Has the bank sent out the

reminder/angry letter already?

If the manager under pressure to attain targets on profit margins? ■ How often is this customer overdrawn, and by how much?

Did he forget to ask Is he someone worth

cultivating for other business?

GA raises bonus rates

life assurance arm of the General Accident group, this week announced a substantial increase in its terminal bonus rates - the first traditional life company to make a mid-year

bonus revision.

The effect of the changes on

rity pay-out on a 10-year with-profits policy by only 1 per cent from 26,952 to 27,021, but by 10.5 per cent on a 25-year contract from \$48,109 to

This latter figure moves GA Life from well down in the 25year with profits performance tables up to sixth place - a a low-cost endowment for a tables up to sixth place — a man aged 29 paying 230 a shrewd move by a company month will increase the matu-

dull mortgage-related endow-ment market. Competition is hotting up among life compa-nies to "tie up" with building societies; last week Scottish Amicable lured Scottish Building Society from Sun Alliance. Other life companies are likely to follow GA's lead and review their bonus rates in mid-year.

FINANCE & THE FAMILY

The Week Ahead

Cold comfort for British Gas

THE UNUSUALLY mild winter is likely to provide a severe constraint on final results from British Gas, which are announced on Thursday. Analysts expect net income of around £850m, compared with £816m in financial 1988. According to some estimates the weather may have knocked more than £100m off gross revenues, wiping out much of the benefits from the underlying trend of increasing demand. Shares have been drifting recently and already include a

low profits increase in the The weather also will have taken a toll on the fuel distri-bution division, which accounts for about half the turnover of Powell Duffryn in the year to end-March. With other interests ranging from shipping to construction materials, it slightly reduced its exposure to fuels through the sale of a half share in a French distribution business earlier

Analysts are expecting pre-tax profits, announced on Tuesday, to come out at about £35m against £33m last time, though the extent of property profits perennially complicates the pre-tax picture.

Peter Davis, chief executive of Reed International, has led

the company into a buying spree since building up a substantial cash pile last year. Eddie Shah's Messenger chain of regional newspapers, a slice of the Argus Press Group, Rupert Murdoch's Travel Information Group, and Independent Television Publications, which publishes TV Times, for an initial £118m have been

At the interim stage Reed exceeded City expectations with a 21 per cent rise in prewith a 21 per cent rise in pre-tax profits to £133.2m and a slightly higher rate of progress is expected for the year. Last month the company announced that its profits would also be boosted by about £17m through the adoption of the new accounting standard SSAP 24 and this may help push pre-tax profits above

Most of the newspaper sto-ries recently devoted to Jacob Rothschild have concerned his Rothschild have concerned his adventures with Sir James Goldsmith, the corporate raider. But on Wednesday, Rothschild will hold centre stage in his own right as chairman of J. Rothschild Holdings, the investment company.

the investment company. Last year, RIT Capital Partspun off from JRH and so this year's annual figures will bear little comparison with last year's results for the whole company. It is difficult to pre-dict the effect that this demerger will have had on the results but some analysts are looking for a rise in net asset value to about 195p per share and pre-tax profits of around

Thorn EMI, the entertain-Thorn sail, the entertainment and electronics group, announces its final results on Thursday, with analysts looking for pre-tax profits of around \$285m. While this is well up on the £225 achieved in financial 1988, it represents a downgrading of beginning of

year forecasts prompted by the effects of lower consumer spending at Rumbelows, the group's retail subsidiary. Food retailer Argyll is in the midst of its programme to inte-

grate its Presto chain with Safeway, which it hought in February 1987. Profits for the year ended March, being announced on Tuesday, will again include exceptional costs relating to the conversion, of about £30m this year. Expecta-tions are for profits of up to £180m after the exceptional

retailers, Boots, the chemist chain and pharmaceutical manufacturer, is expected to reveal a strong advance in profits for the year ended March when it reports on Thursday. The interim figures showed a near 20 per cent gain and beat analysts forecasts by £10m. The City is looking for £285m or more for the year property profits, last time. The boost is mainly coming from the retail side, where the group's determination to cut out unprofitable business, and its investment in information

technology, is paying off.
Tuesday brings tidings of the
effects of radical reconstruction measures at Norcros, the industrial manufacturing group which swapped its lossmaking builders' merchant for a door and window business last December, in the year to end-March. Difficult trading conditions on the paper and packaging side will have compounded the restructuring costs, and followers are looking for around £67m pre-tax, against £65.3m last time, with earnings per share dwindling below the previous year's level.
On Thursday, Michael Mon-

tague puts on show the first annual results from Yale and Valor to get a full year's con-tribution from the Yale locks and security products and NuTone domestic appliances companies it bought in 1987. Barclays de Zoete Wedd expects pre-tax profits for the 12 months to March 31 to reach £48.5m, against £34.5m in 1987-88 when nine months of Yale and NuTone brought in

haps the prototype "green" company, is expected to report suitably healthy figures on Tuesday. Its results for the 17 months to the end of February are predicted to show pre-tax profits of about £15.5m, compared with the £9.34m it reported for the year to Sepember 30. Underlying like-forlike growth is thought to remain buoyant at 20 per cent. When Caradon unveils its annual results on Tuesday, the spotlight will be on the performance of Everest, the double glazing company it bought from RTZ a year ago. Everest joined Caradon with a falling market share and analysts will be anxious to know if Caradon has arrested the decline. Elsewhere in Caradon, the show-ers, bathroom fittings and plastics businesses should have performed relatively well. Analysts expect pre-tax profits of about £34m (£20.7m) for the year to the start of April.

Britannia BES plan worries investors

this year, are not universally pleased by the news that Britannia Building Society is intending to invest \$2m in the

If you are an investor and you have already contacted one of the many BES research bodies, you may find this suroodes, you may find this sur-prising, since the majority view is that this is quite a good idea. "A good deal for both sides," proclaims John Spiers of REST BES magazine, while Tim Villiers of BEST Invest-ment has one or two small res-

ervations only.

However, Steve Mobbs, a
London investment banker and one of the original investors, claims that the deal is not in the best interests of all share-

The proposal is that Britan-nia should invest £2m in the company by buying a convertible ioan stock, paying 6 per cent a year and convertible into shares at any time, at a price of 100p. This is the same price that the original BES shareholders paid in February and March this year. However, the original share-

holders get no income from their shares. Britannia can convert at any time, so it can do so if the ordinary shares reach £4.00 while paying only £1.00. In other words, they can decide whether to take up their investment once they see a

If Northern Renewals were wound up, Britannia would get out at 100p, while other share-

SHAREHOLDERS in Northern Renewals, one of Capital Ventures' more successful Business Expansion Scheme issues ton, Britannia does not qualify whatever price the shares may have fallen to. As an institu-tion, Britannia does not qualify for the same first year's tax relief as other investors, how-

> Capital Ventures, the spon-sor, is recommending that shareholders should agree to the Britannia loan issue at an extraordinary general meeting later this month.

> For the majority of shareholders, being asked to agree will have come as a complete win have come as a conjunct surprise. It certainly was for Mobbs, who bought his shares soon after the issue was launched.

"We recognise that some could have come in without knowing. I don't think the proposal was in the prospectus, although we did write to people in March," says Andrew Cann of Capital Ventures.

"At the time of the issue, few accured by anyline were raising."

assured tenancies were raising the maximum of £5m, so Bri-tannia's £2m investment might have made all the difference to the issue's success," explains Cann. But the issue raised £4m anyway, without Britannia's

Shareholders can veto the proposal at the EGM. While it does offer the company the chance to raise new capital, which is not always easy for BES companies, the original shareholders should be under no illusions that they are getting a worse deal than Britannia.

Heather

TAK	E-OVER	BIDS			RS
Company aid for	Yake of bid per shere**	Martest price**	Price before bid	Value of bid Eme**	Bldder
Pri	cos la peno	e unless	otherwi	e indicat	64
inter	32511	317	203	19.04	Wessell
logge Massimi	345'5	368	304	118.49	BDOP
logge Massimi	365°	368	343	125.35	Omnicom
hembers & Fargus	150%	146	1484	9.50	Kartshornes
oalite	425	439	424	427.0	Angle Usiked
eleway . "	210	204	184	1.87bn	leoscoles
uloness Malvon	146"	.140	142	94.48	Bk. of Yokohan
abil Precision	64115	73	70	8.55	Epicure
uliana's Hidgs.	102	89	83	21.52	Viembley
ees Trust	550~9	535	513	53.8	Filzyfitos
eldlew Thomson	20566	201	165	14.02	Newman Tonks
ambert Howarth	15455	209	150	8.70	Block (Peter)
6 Cash & Carry	.155°	150	142	13.02	Fitzwillion
lagnet	300-	268	289	548.22	DMWSL
larier Estates	98 -	102	98t	74,78	Conrad Hidge.
rep. Co. London	182	203	255	23.88	Lodge Care
ogiel	13955	123	132	393.40	Costs Vivelia
	720	895	529	509.04	Carlton Cossume
iA Hidge.	51	49	41	19.44	Heden Medicile

RESULTS DUE

			Dividend (p	*
	ives due	Joi.	t year Final	Tale ye
PRIAL DIVIDENDS				
AcaiAllied Colloids Group	Monday			1.35
Allied Colloids Group	Tuesday Tuesday	0.65 1.8	1.65 3.5	0.65 2.1
Argylf Group	Tuesday	3.0	3.5 7.0	3.3
Betterware Consumer Products	Wednesday	1.4	3.0	1.8
Boots Company	Thursday	3.1	5.7	3.5
British Gas	Thursday	25	5.5	2.75
British Land Company	Monday Thursday	1.44	2.56 1.36	1.63
Brown N Grotin	Wednesday	3.0	3.5	1.5
Broadwell Land	Friday	4.0	6.5	4.0
Builder GroupBurtonwood Brewery	Mannay	-	-	1.2
Burtonwood Brewery	Wednesday	0.625	2.535	0.7
Caradon	Tuesday Tuesday	25	5.5	3.5
CML Microsystems	Monday	-	1.4	-
CML Microsystems	Thursday	25	7.3	2.75
De La Rue	Tuesday	3.25	10.0	3.25
Electrocomponents	Wednesday	1.27	3.1 0.3	1.47
EIS& 41749 ,	Friday Thursday	0.7 2.0	9.3 2.15	0.4 2.0
Eiga Group Finley James Finley James Great Portland Estates Hanover Druce	Thursday	0.6	1.75	1.0
Great Portland Estates	Tuesday	2.75	5.35	3.0
Hanover Druce	Thursday	1.35	3.0	1.5
Haziewood Foods	Wednesday	1.125	1.475	1.5
Hunter Saphir	Friday Thursday	1.35	0.5 2.7	0.5 1.35
Ti Information Technology	Thursday	1.35 0.4	2.7 1.6	1.33
eich Interests	Monday	1.83	3.82	202
eigh Interests	Wednesday	3.5	6.5	3.8
fershells	Tuesday	2.0	5.25	2.25
rarston, Frompson & Evershed	Tuesday	0.85	2.05	0.94
Auraton, Thompson & Evershed	Thursday	1,2 1,5	2.0 4.0	1.3 1.75
DNC G70U0	: UMLEGEA	0.7	1.6	1.0
lonares	Tuescay	4.0	10.4	5.0
ortros	Monday	0.933	1.15	1.05
riffame international SA	Wednesday Thursday Thursday	3.0 0.9	5.5 1.8	3.5
hoenix Timber Group	Thursday	1.0	1.5	1.0 1.1
hoenix Timber Group cwell Duffryn cwerscreen International remier Consolidated Olifield.	Tuesday	5.26	13.25	6.0
owerscreen international	Thursday	1.0	2.5	1.2
remier Consolidated Oilfield	Tuesday	-	-	-
roperty Partnerships	Tuesday Wednesday	1.75	3.0	20
iothachild J Holdinos	Wednesday	3.5 2.5	6.5 5.5	4.0 4.0
lothschild J Holdings	Turanday	0.22	0.68	9.U 0.24
haw Arthur & Company heraton Securities Int'l	Friday	-	-	1.1
heraton Securities Int'l	Monday	0.5	1.75	1.5
DO Group	Thursday Thursday	2.34	3,435	248
conic	Thursday Friday	6.0 0.75	13.0 2.25	6.5 1.0
nestriery	Thursday	6.0	16.0	1.0 7.5
nilock Holdings	Tuesday	1.0	1.2	1.0
ale & Valor	Thursday	1.8	6.7	3.45
ork Trust	Tuesday	Q.4 5	1.55	1.0
TRUM DIVIDANDS				
nglia Secure Homes	Tuesday	1.25	2.25	-
rchimedes investment Truet	Tuesday	5.8	-	-
ody Shop International	Tuesday Monday	0.9 0.5	0.5	-
rooke Tool Engineering Hidgs	Tuesday	0.7	1.1.	-
emiord Engineering	Wednesday	1.0	4.0	_
ranbrook Electronic Hidge	Tuesday .	0.5	10.75	-
exello Castors & Wheels	Thursday	1.5	3.4	-
Tench Inomas & Sons	Thursday Thursday	1.2075 0.6	1.6125	-
rench Thomas & Sons	Wednesday	0.6	1.4 1.2	-
CO Holdings	Wednesday	2.0	4.0	-
Hecomputing	Monday .	0.65	•	-
ri Group	Thursday	20	2.5	-
Moughby's Consolidated		3.0	3.0	-
lividends are shown net pence pe	W share and a	e adjusted	for any to	ninernen
rip Issue.			_	
	پولاندا سيسو			

	PRE	LIMINA	RY RE	SULT	\$		
Company	Year		aco) ex blogg		ere (b)	Divide per sh	
Aberdeen Petro.	Dece		(1,800 L)	-	(-)	-	(-)
Anglo Lessing	Mar	8,270	(5,980)	25.1	(19.0)	5.0	(3.5)
BBA Group	Dec	24,200	(2,900)	-	(-)	-	(-)
Brit & Amer Film	Dec	715	(620)	19.6	(16.4)	7.425	(6,62
British Telecom.	Mar	2.44bn	(2.29bn)	25.9	(23.6)	10.5	(9.5)
Caffyns	Mar	2,060	(1,930)	53.3	(61.7)	11.5	(10.0
Capital Leasing	Mar#		(427)	4.5	(3.6)	0.57	(-)
Channel Turnel	Dec	13 L	(15 Ĺ)	_	(-)	_	(-)
Control Sec.	Mar	20,300	(8,310)	5.5	(5.1)	1.2	(-)
Cook William ·	Apr	5,050	(1.700)	36.3	(13.8)	9.0	(6.0)
Davesport Knlt.	Dec	1,000	(1.170)	38.1	(43.8)	8.03	(8.03)
Dunhili Holdings -	Mar	45,500	(35.220)	16.9	(13.0)	3.75	(27)
Eastern Produce	Dec	8,140	(7,254)	25.8	(25.1)	11.0	(10.0
elswick e	Jan	1,800	(1.620)	1.3	(1.41)	0.45	(0.3)
Estates & Agency	Dec	722	(663)	-	(-)	5.0	(3.0)
Goldberg A & Son	Mar	2.920 L	(3,230)	_	(12.1)	3.0	(5.5)
lewtel Whiting	Dec	1.220 L	(1,530 L)	_	(-)	0.1	(4.0)
many Merchant	Mar	22.810	(11,730)	37.5	(21.8)	9.5	(7.5)
soped intil.	Jan	2.500	(2,000)	14.2	(12.5)	5.0	
Jarvis Porter	Feb	2,030	(2:706)	9.0	(11.7)	4.0	(-) (4.0)
Optometrics	Mart	325	(184)	2.3	(1.6)		
PCT Group	Dec	862	(448)	16.7	(11.5)	5.D	(-)
Pennant Group	Dec	199 L	(14)	-	(-)	0.2	(4.0) (0.2)
Tysu	Apr	6.820	(6.510)	11.5	(9.9)	2.85	
Ritz Design	Mar	1,630	(1,450)	11.4	(13.1)	2.03	(2.3)
Rolfo & Notan	Feb	757	(510)	18.7	(11.7)	5.6	()
Scott & Merc Inv	Mer	1.4301	(2,0401)	4.11	(4.65)	5.6 4.1	(4.0)
ilebe	Apr	152,000	(117.400)	49.4	(41.6)	11.37	(4.6)
Rorehouse	Apr	11.300	(114,900)	9.5	(19.2)	8.8	(8.78)
TR Property key.	Mare	4,340	(2.680)	1.67	(1.03)	1.2	(8.8) (0.8)

profit i)	divi	terim Sends" Sends
(6,890)	3.5	(3.5)
(1,110)	1.25	(1.1)
(1,300)	1.5	(-)
(1,420)	21	(1.9)
(277)	-	(1.25)
(22,300)	0.37	(0.70)
1.180)	4.12	(3.75)
(865)		(-)
3.09O)	2.5	(2.25)
(72)		(-)
48,700)	4.75	(3.5)
10.685)	4.5	
131)		(3.5)
2,900)	1.7	Θ^{-}
43,900)	1.15	(1.0)
		(-)
(2,920)	3.0	(2.75)
615)	20	(1.75)
4,050)	3.0	(2.75)
5,350)	-	(2.7)
2,390)	2.5	(2.0)
13,100)	1.25	(1.25)
319)	0.5	(0.5)
ŀ	319)	

*Dividence are snown met perme par hidicated. L = loss. US dollars & cents. • Available revenue.† Fixed assets investment income.‡ 1st quarter years figures for 9 months.‡ Irlsh punts & pence.

RIGHTS ISSUES

Global Group is to raise £1.32m via a two-for-one rights issue. Planton is to raise £35m via a four-for-five rights issue.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS Farmbrough Kingspan Group is to join the USM via a placing that will value the group at

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FINANCE & THE FAMILY

Your chance to cash in on the green revolution

Patrick Harverson on environment-friendly stocks

WITH THE spotlight on the environment — whether because of dying seals, the hole in the ozone layer or Mrs Thatcher's sudden conversion to the green cause — investors may wonder how they can best take advantage of the "green

MRY

The answer is to look for companies likely to benefit companies likely to benefit most from environmental protection and pollution control, which these days is hig business. Currently between £120 and £140bn is spent each year on pollution control worldwide. Billions more will soon be poured into water treatment, the control of power station emissions, waste management and the development of safe products such as ozone-friendly CFC replacements and catalytic converters.

Japanese institutions have already shown a keen interest in environment-related stocks, which in itself should enhance the attractiveness of the stock market's unofficial "green"

In a special report Nikko Securities, the Japanese securi-ties house, has picked out four large UK companies — John-son Matthey, ICI, BET and Simon Engineering — and a number of smaller specialists, such as Rechem an Attwoods, which it believes are likely to which it believes are likely to benefit considerably from the "greening" of Britain.

Johnson Matthey operates four business divisions which specialise in advanced materispecialise in advanced materials technology. Of the four, the greatest "green" attraction is the Catalytic Systems division, the world's largest producer of catalytic converters for treat-

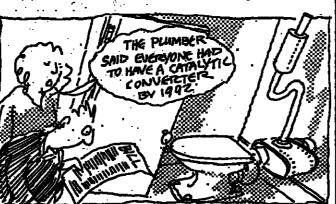
ing vehicle exhaust emissions. US demand is already great, and current EC legislation will significantly increase the size of the European auto-catalyst market, says Nikko. In prepa-ration, Johnson Matthey is building a factory in Belgium

which will quadruple its Euro-pean production capacity.

KI, the world's fourth larg-est chemical company, allo-cates about 10 per cent of its capital expenditure each year (in 1988 it was £811m) to envion 1900 it was 2011ii) it environment-related areas. "ICI's technological expertise and large R&D budget are being increasingly focused on developing environmentally benign

products, claims Nikko.

These products include water-based paint coatings with low solvent levels, water-



feel good about it at the same time." ■ The establishment of a

special environmental banking unit was announced this week

by merchant bankers, Security

Pacific Hoare Govett. It will

concentrating on providing finance to organisations dealing with air and water pollu-

tion, waste management and toxic waste disposal.

cleaners and ozone-friendly chemicals for refrigeration. BRT, the UK's largest sup-plier of commercial washroom, cleaning and waste-disposal services, has decided to expand its environmental side and its environmental side and other support services. Recent acquisitions, including ADT's European commercial cleaning business, have boosted the proportion of group earnings accounted for by environment-related activities.

Simon Engineering is a diversified engineering group heavily involved in water and sewerses treatment and in the

sewerage treatment and in the construction and fitting out of chemical and paper making

plants.
On a smaller scale, there are companies like Rechem Environmental Services, which specialises in the disposal of toxic waste in the chemical and electricity supply industries. Last year its profits nearly doubled, to £8.75m. Other smaller companies ready to profit from the panies ready to profit from the increasing demand for waste disposal services include Attwoods, Caird Group, HT Hughes, Leigh Interests and Shanks & McEwan.

If you do not want to invest directly in environment-related stocks, one alternative is a "green" Personal Equity Plan (PEP) launched last month by Henderson Unit Trust Manage-

ment group.

The first of its kind, the "green PEP" will invest in a core group of UK companies. involved in areas such as the programment waste disposal and air purification and including names like Ocean Transport, Coalite, and Davy

International.

Robin Berrill, managing director of Henderson, claims there has been an enormous interest. The appeal, he maintains, is simple: "It represents a sequine investment opportutreatment processes using a genuine investment opportu-enzyme-based biological mity, and it has added value in fragments, industrial effluent that you can make money and

Offshore curbs for Manx banks

EXPATRIATES need not be alarmed at the recent decision by the Isle of Man to introduce a system of offshore banking licences. Since the collapse of Savings and Investment Bank in 1982 - which resulted in the loss of more than £40m of depositors' funds — control of local banks has been tightened

considerably.
Jim Noakes, the Isle of Man's banking supervisor, maintains that the conditions under which the Savings Bank failed changed long ago. He declined to comment on whether depositors would eventually get some of their money back, adding that while there had to be sym-pathy with their plight, "we are looking to the future rather

The Isle of Man has become a significant financial centre in recent years and now chal-lenges Jersey and Guernsey as a centre for British expatriates. Among the well-known com-pany names operating on the isle of Man are Allied Dunbar, Barclays Unicorn, Clerical Medical and Equity & Law. The island was the first off-

shore centre to be granted designated territory status to mar-ket investment and insurance products in the UK under the terms of the Financial Services Act. Designated status is granted only to those territories which have enacted investor protection laws at least equivalent to those existing in

The new offshore banking licences are designed to enable banks outside the Isle of Man, which wish to conduct busi-ness outside the island through branches or Isle of Man subsidiaries, to do so as "managed banks." As a safeguard against fraud and other criminal activity, only institutions licensed as domestic banks in the island can apply to be "approved managers" of offshore banks. Noakes is adamant that the

introduction of offshore banking licences will not represent an easy way into the Isle of Man. "There will be no relaxation at all in the supervision of prudential standards," he

The Financial Supervision Commission says it will be looking for applications from prime banks located in juris-dictions which exercise proper licensing and supervision and which subscribe to the international concordat on banking supervision. Noakes wants the introduction of offshore bankfurther "weapon in our armoury."

Banks which decide to set up "brass plate" operations in the isle of Man — two have expressed interest so far — will not be permitted to do business with the local population of 70,000. And while the empha clearly is on offshore banking now, Noakes says the Isle of Man will still welcome banks with a physical presence.

The real spur to the Isle of Man's latest move might have its origins 5,000 miles away in the Caribbean. According to akes, the wish of many Isle of Man banks to be able to offer "brass plate" banking was prompted by competitive pressure, especially from the Cay-

The potential for the Iale of Man can be judged by the Cay-mans' thriving offshore bank-ing industry which is represented by more than 500 banks, only 72 of which maintain a physical presence, whereas the Isle of Man's 54 banks all main-

tain a physical presence. The Isle of Man could have chosen the timing of its ven-ture into offshore banking with more precision than it cares to admit. Coopers & Lybrand, the accountancy firm. is working on a report for the British government on financial services in the Caribbean dependent territories. At this stage, it is impossible to know whether their findings will work to the advantage of the Caymans.

Peter Gartland

R Peter Gartland is editor of The International, the FT's magazine for expatriales.

TARGET'S investment performance record in recent years could be viewed as a classic example of "how are the mighty fallen!" In the

annual Money Management performance survey for 1982, the group topped the charts with its Gold fund, which pro-duced a return of 93 per cent that year. Two other Target trusts were also in the industry's top 25 best-performing

The same survey for 1988 Money Management picked out Target's Australian fund as an example of startlingly poor per-formance. The fund has lost money over one, two, three and five year periods, so that £100 invested in the fund in May 1983 would now be worth a mere £20.40. Over the same

a mere £20.40. Over the same period, the Target Gold fund — 1982's industry leader — would have turned £100 into £50.30. Putting aside the Australian fund, which has attracted a good deal of notoriety for its dismal performance, there are some bright spots in Target's some bright spots in Target's long-term performance figures. But they are few and far

between.

Of the group's five British equity trusts, only the UK Capital fund has ever performed above the average for periods going back seven years. Only one trust, Target Preference, has performed above the average in all the periods shown in the table. The rest of the 17 funds have only occasionally the table. The rest of the 17 funds have only occasionally passed the half-way mark in the performance league tables.

However, there are signs that Target is moving out of its performance trough. One-year

Why Target missed

are above the average, of which four are in the top quartile of their sector, Target's strengths seem to lie in overseas funds: World Income is

Target's troubles have a number of causes. The central problem has been a combina-tion of an investment philosophy and a marketing philosophy, neither of which was well suited to open-ended funds. The group has always seen itself as a smaller companies specialist. Says investment director John Hodson: "We tended to be value buyers, choosing things which were out of favour and taking fairly

This might be all well and good if unitholders did what they were supposed to do and held their units long term. The fund manager would have time to wait for a return to materialise, and would not be forced to sell unmarketable small stocks. Target has, however, also built up its business by going strongly into the broker bond market. The unit trusts were available side by side with the life funds for brokers who managed their own portfolios of clients' funds.

Unit trust brokers are known for their tendency to switch large blocks of units frequently. The managers of bro-ker bonds are likely to switch

Target Unit Trusts Performer Return in years to 1.4.89 354.5 (18/69) (113/136) (83/118) (26/90) 39.4 56.9 125.1 11th out of 57, European Special Situations is 12th out of 101, and Japan is 8th out of 64. (2/43) 77.9 10/9 4.2 (70/100) (68/100) 2.6 -1.8 30.5 (60/92) 36.6 (42/66) 353.8 (34/55) (43/74) 136.2 (122/127) (110/112) (87/101) -0.5 -77.6 -62.0

(13/16)(15/15) (15/15) (11/11)

even more actively. The bonds may represent very large hold-ings of units and switching them is made easy for the bro-ker, since the unit trust group handles all the administration. In severe market conditions such as the 1987 creek if hrosuch as the 1987 crash, if bro-kers move en masse out of a unit trust which has a concen-trated holding of unmarketable

stocks, the result is devasta-tion. The manager is forced to sell his most marketable hold-ings first and is left with those which have fallen most and are difficult to dispose of easily.
This is what happened to the Target Australian fund, and the same effect can be seen in a number of the other trusts with a smaller companies ele-

The group's eventful corporate history of recent years has

1984 Target, then controlled by Jacob Rothschild, was bought out by its managers and a syndicate led by Morgan Grenfell. Before it could be floated in its own right, it was bought by the TSB in June 1987.

With its investment management team previously stradding Rothschild and Morgan Grenfell, it is only in the past 12 months that Target has had its own stand-alone investment

its own stand-alone investment team. Even now there are only eight fund managers to run all the group's funds.

"One thing we have been doing is going out and buying talent. Long-term performance is about continuity of people," says Hodson, ruefully.

Persevering with a philosophy which has ceased to be appropriate to the circumstances could still be a problem

indifferent performance of its Pacific Trust has been its pol-icy of staying as a "broad" fund, with 40 to 50 per cent in Japan rather than the smaller markets which have done so well recently.

The perils of continued concentration are clear from the Convertibles trust - bottom of its sector over its first year - which shot itself in the foot with two bad investments recently. The fund is about £12m in size and has about 30

holdings. Target has now shifted both its marketing and its invest-ment philosophy. It has suc-cessfully encouraged brokers a new range of index life funds, which should reduce the effect of switching on the unit trusts.

It has also reduced the percentage of funds held in special situations. Says Hodson: "The reality of the market place is that the interest is in the leaders. We have made a gradual shift away from special situations, even though in our heart of hearts we think some of these companies are still mod these companies are still good. The fundamentals haven't charged, but short-term fash-ions have."

However, there are other unit trust groups (Framlington springs to mind) which have not had to abandon a policy of smaller company investment as a result of the 1987 crash. It seems Target has paid a high price for its enthusiasm for broker bonds.

Christine Stopp

NORWICH UNION INTRODUCES MASTER TRUST

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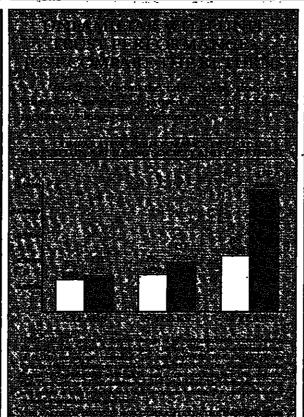
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BUT HURRY! TO QUALIFY FOR THE BONUS ALLOCATION, YOUR INSTRUCTION MUST BE WITH US BY 21st JUNE 1989.

If you have any questions about MASTER TRUST please call



IMPORTANT DETAILS OF YOUR INVESTMENT

BUYING UNITS All you have to do when buying units in Norwich Union's MASTER TRUST is complete and return the Investment Instruction along with your cheque. We'll then send you a Contract Note followed within 3 weeks by a Certificate confirming your purchase. (Special consideration may be given to deals of £15,000 or more).

SELLING UNITS We will normally be able to buy back your units from you whenever you wish at the bid price at the time. We'll send you a cheque within 5 working days of receiving your renounced Certificate which you must send back to as when you sell. (Special consideration may be given to deals of £15,000 or more). There is usually a 6% difference between the buying and selling prices which cowers initial enterpress.

deals of \$15,000 or more). There is usually a 6% difference between the buying and selling prices which covers initial expenses.

CHARGES Initial: 6% which is included in the offer price. Annual: Zero. Provision is made in the Trust Deed to enable the Managers to increase the Initial charge to 7.5% and the Annual Charge to 2% (plus VAT). Three months' notice will be given of any increase in the Annual Charge but'at present the Managers have no intention to do so. The trustee is Citicorp Trustee Company Limited.

CEFER PRICE This is the price at which units can be purchased by the investor. The offer price is recalculated at 12 noon each working day, the valuation point.

wanternost point.

BID PRICE This is the price that the Managers will pay for your units if you wish to sell them back. The bid price is calculated at 12 noon each working day, the valuation point. To find out how your investment is performing look at the financial pages of the Dully Telegraph or Financial Times.

MINIMUM INVESTMENT You can invest in the MASTER TRUST with as

paramusa reves many i rou can press in the MASTER TRUST with as little as \$500. There's no upper limit to your investment.

TAXATION AND THE UNIT HOLDER An investment holding trust units will have two potential areas of tax liability to consider; Income Tax and Capital Gains Tax. Income Tax is payable on the income received from the unit trust in the form of distributions. Capital Gains Tax may be payable if a gain is made when units are disposed of.

INCOME TAX If you are a basic rare taxpayer there is no further income Tax to pay on distributions. The distribution carries a tax credit sufficient to discharge your income tax liability. But if you are a higher rare tax payer additional tax will be payable at the excess of the higher rare over basic rare income tax. Non tax payers can reclaim the tax credit from the

CAPITAL GAINS TAX Unit holders disposing of units may be liable to Capital Gains Tax if their net chargeable gains from all sources in a tax year exceed the exempt amount. The amount of the gain may be reduced by the application of an Indexation Allowance. In the 1989/1990 tax year the approximent of an information Anomatics. In the 1989/1990 tax year the exempt amount is \$5,000. (At present only one \$5,000 exemption is available to married couples living together). Gains in excess of the exempt amount are taxed at the tax payers marginal Income Tax rate.

TAX AND THE TRUST FUND The Trust Fund has a tax liability on income – the two types of income it is likely to receive streak different tax treatment.

Franked Investment Income (distributions received from the Trust Funds in which the Master Trust invests) carries a tax credit and there is no further Unfranked Income - income from bank and other deposits is subject to

Corporation Tax.

Capital gains realised within a unit trust are not liable to tax. INCOME DISTRIBUTION The income of a unit trust is distributed, usually half yearly on fixed dates, to unit holders in strict proportion to the number of units held. You can choose to have the money paid direct to your Bank/ Building Society current account. Otherwise it will be reinwested to purchase further units.

YOUR RIGHT TO CANCEL The Financial Services (Cancellation) Rules 1989 gives you the right to cancel your unit trust purchase within 14 days from the date you receive the Notice Of The Right To Cancel. This will be issued at the same time as the Contract Note but sent to you under separate cover. Any drop in price during the intervening period must be borne by the investor.

the investor.

A copy of the scheme particulars, annual and half yearly reports, are available on request from Norwich Union Trust Managers Limited. PRICE AND YIELD As this is a recently formed Trust, there is no historic information between bid and offer prices.
At 1st April 1989 Estimated Gross Yield was 2.8%.

All references to totation in this document are to UK taxation and are based on Norwich Union's understanding of UK law and Inland Rewence practice as at 1st May 1989. The future basis and rates of tax may vary. Although every effort has been made to ensure its accuracy, no responsibility can be taken for Norwich Union's interpretation.

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our Helpline on 0603-680231. INVEST BY 21ST JUNE FOR UP TO 11/7% BONUS NORWICH UNION MASTER Investment TRUST Instruction

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I wish to invest	£MINIMUM 2500	in the MASTER
TRUST from N	orwich Union at the	offer price ruling
at the valuation p	oint following receipt	of this Instruction.
I enclose a ch	eque made payable t	o Norwich Union
Trust Managers	Limited	

SURNAME	MR/MRS/MISS/M
FORENAME(S)	
ADDRESS	· · · · · · · · · · · · · · · · · · ·
POSTCODE	TELEPHONE NO.
FINANCIAL ADVISER (any):
If the investment is being ma his/her fell name here:	de on behalf of a child under the age of 18, please give
SIGNATURE	DATE
A copy of the completed instructi	on and Scheme particulars are available on recount. The desail

his/her fell name here:	·
SKGNATURE	DATE
A copy of the completed instruction and Schu that you are being taked to supply may be use and services which the Norwich Union Grou	ente purticulars are amilable on request. The detailed to provide you with information about produce up can offer.
Normally Norwich Union issue distribut your behalf. If however you would prefer the box and complete the details below.	ion units, with all income being reinversed on to reneive income twice yearly, then please tick
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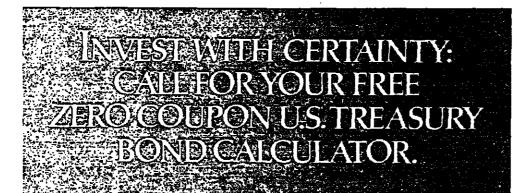
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FINANCE & THE FAMILY

Anthony Casswell looks at the impact of future allowances on those who have retired

Planning ahead can save much more

AN Inland Revenue press release in March 1988 said that "when independent taxation starts in 1990-91 many married women, and some married nen, will find there is less tax to pay on their incomes." The statement concluded that at projected rates for 1990-91, more than 2m individuals would enjoy tax reductions

averaging £320. However, the Inland Revenue based its estimates on tax reductions which will happen automatically. This series of articles has almed to show how, by careful planning, many married couples will be able to enjoy tax savings several times greater than the Revenue estimates.

It is impossible to cover all individual circumstances com-prehensively in the space available. However, some gaps can be filled by answering queries from readers received since the series started.

Several readers pointed out that the figures given in these articles for personal allowances, the age bands for age allowances and the rules for their progressive withdrawal, are at variance with those stated in the Inland Revenue leaflets IR 80, IR 81, and IR 82. In fact, although the Reve-

1989, and were publicised as being available at the time of this year's Budget, they were evidently drafted before the new rates and rules had been determined. Inland Revenue amendments to these leaflets confirm that the articles were

However, there was a misprint in the April 29 Weekend FT in the table of tax allow-ances for pensioners. The single allowance for age 75 and over was correctly shown as £3,540 for 1989-90; but the projections for 1990-91, which illustrated year-end inflation at both 5.5 and 7 per cent, should have read £3,740 and £3,800, spectively. Readers have asked whether

they could not put all their assets into both names and then divide the income equally; they have queried the state-ment that transfers into joint names will result in only half the tax saving that could follow a transfer from one spouse to the other. If one spouse has invest-

ments worth £20,000 yielding £2,000 per annum, transfer into joint names will provide each partner with half the capital and \$1,000 of income: total transfer will give the receiving spouse £20,000 capital and £2,000 income - the right course



INDEPENDENT MOITAXAT FOR MARRIED COUPLES

depends on how much income the recipient needs.

A reader aged 76 with a wife of 73 asks whether they will each get a single allowance next year. The answer is yes, like any married couple. At 1989-90 rates, provided that neither one has a grossed-up income in excess of the age allowance limit of £11,400, they will have single age allowances of £3,540 and £3,400 respec-

They will also receive a married couple's allowance, which depends on the older age and so will be £2,025. This will be

given to the husband, but if he has insufficient income to make use of it, any unused part can be transferred to his wife.

A wife asked what to do with a considerable amount of National Savings Certificates (NSC) with five years almost completed" as her National Insurance pension is her only source of income and she wishes to use her single age allowance.

The interest rate in the final year of NSCs from 28th to 32nd issues inclusive is over 10 per cent and worth having. Thereafter, the general extension rate is at present a miserable 5.01 per cent and only increases the value of NSCs after each completed period of three months. So, she should cash in the certificates on

The proceeds could be invested in National Savings income bonds for a high (but variable) income or gilts to yield a fixed income of nearly 10 per cent. Building society or bank deposits should not be considered as the interest is paid net of "composite rate ax," which cannot be reclaimed. Reinvestment this year will ensure that dividends due next year fall into the

Answering other questions Interest paid gross is taxed on the basis of receipts during the previous year. But if it is a new source of income starting before next April, it will be taxed in both this fiscal year and next on the basis of the interest actually arising.

■ A couple aged 71 and 70 point out that for 1989-90 their total age allowance is £5.385. whereas if inflation is still 7 per cent by the end of this year, in 1990-91 they will receive single allowances of 23,540 each and a married couple's allowance of \$2,130, making a total of £9,410. "A lovely thought," they say, "but is this likely?"

Not only is this likely - the legislation is already in place - and if they were both 75 or over, they would have two single allowances of £3,800 and a married couple's allowance of £2,170, making the total £9,770. The final query concerns income received from abroad after deduction of withholding tax in the country of origin. The overseas tax will probably be allowed as a credit against UK tax; but you cannot offset overseas tax against your allowances because the inland Revenue has an understandable reluctance to repay tax which it did not receive.

Diary Of A Private Investor

Smart punter can beat unit trusts

JUDGING FROM the unsolicited mail I have received recently, unit trust groups are either desperate to increase their business or they view the market with confidence and are heavily promo-ting new and existing funds to take advantage of what they hope will be favourable condi-

However, with a few notable exceptions - such as the M&G Group - most of the groups have recently increased their fees and charges. This has made me even more reluctant to invest in unit trusts.

If a trust manager charges an initial 5 or 6 per cent and an annual charge ranging between 1 to 1.5 per cent of the value of the fund, then in the first year of purchase the value of the unit has to rise by more than 6 per cent to 7.4 per cent before an investor can make a

Would you not be better off buying shares directly instead? Especially as in the small print of some unit trust agreements management fees can be increased, subject to three months' notice, to as much as 2 per cent per annum.

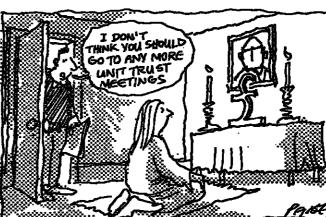
True, there are certain unit trusts that aim to "track the index" and charge rather lower fees. But surely the objective of a private investor is to beat the index, not merely follow it

the downwards if the market have drops, or only just match any trust rise? Indexed funds have no appeal to me.

Leaving aside indexed funds, there are now more than 1,200 different unit trusts available, which makes choosing between them even more difficult than picking an individual share.

If you invest in a company you generally know something about it, that it has solid – and perhaps undervalued – assets and possibly takeover potential too. This has far greater appeal to me than investing in a unit trust, where the trust's investments may possibly be the subject of rapid change that you know nothing

For example, if the chairman or chief executive of a public quoted company resigns, then you are likely to read about it in the newspapers. You can then sell your shares in the company if you bought them because you had faith in the abilities of that person. Unit trust managers, however, may otherwise leave and there may be no announcement in the press for months. Indeed, you may not know the person has left until you read about it in the fund's annual or halfyearly statement. This makes it much less easy to "back a person" managing a particular trust.



I also believe that the unit trust industry will come under increasing pressures from other forms of investment, and that there will eventually be a number of mergers, amalgam-ations and changes of charac-ter of particular funds. Investors in a public quoted

company have a say - by exercising their voting rights - as taken over or merged with another. Quite often the holder of units in a UK-based unit trust has little or no say at all about whether the trust will be merged with another or have a change of owner or manager. The crucial question is whether the performance of unit trust managers justifies

their fees. One of the advantages of investing in a trust is that enables you to have an interest in a wide spread of shares. Unfortunately, this also means that even one or two spectacular performers within trust's portfolio may well form such a small part of that portfolio as to have a limited effect on the fund as a whole, chooses a small number of shares wisely can probably produce a better performance. Spreading the risk can sometimes also mean watering down the profits.

Having said that, in the past I have benefited from invest-ments in unit trusts specialising in overseas companies

Minimum

investors to obtain direct shareholdings. Some years ago I invested directly in a Japanese company, but soon sold my holding

due to the difficulties of follow-ing its progress, inability to read its Japanese reports, and disgust at the rigmarole required in having to hold a share certificate in Japan rather than in the UK. Now I feel the Japanese market is over-inflated

Unit trust managers also have - like other City institutions - an advantage over private investors in that they have almost instant access to certain company information. For example, all public quoted companies have to make important announcements such as details of their profits, and takeover offers - direct to the stock exchange before cir-

culars can reach investors Those with access and time to watch stock exchange screens can see this information first and can mark the shares down (or sell them) before the average private results are, let alone have time to consider whether the com-

pany remains a good investment.

Goldstein-Jackson

Cut out of her father's will

MY FATHER, a widower in his late 80s, quarrelled with my only sister (I have no brothers) and cut her out of his will. I am executor with the solicitor, and my father has several times reminded us of his wish that my sister should receive

I am principal beneficiary under the will, and would like my sister to receive her share in due course. Obviously nothing can be done now, but can i give my sister half the estate after my father's death? Would there be complications with capital transfer tax?

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MONEY MARKET ACCOUNT

UK GOVERNMENT STOCKS

10.25pc Exchequer 1995

5pc Treasury 1986-89 8pc Treasury 1992

3pc Treasury 1990 3pc Treasury 1992 Index-linked 2pc 1992§§

Yearly plan

High interest access

High interest access

High Interest access

■ Clause 167 of the Finance Bill (as published on April 13) is designed to frustrate equitable arrangements such as this.
It is to be hoped, however, that
the Chancellor will be persuaded to ameloriate the potenstates to amenorate the poten-tial tax penalty for people in your position — either in Standing Committee G or on report. You may like to come back to us after the Finance Bill receives its third reading (in July). Meanwhile, watch the FT for news of any amend-

Although Standing Commit-tee G began its consideration

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*Lloyds Benk.fHalifax 90-day; immediate access for balances over £5,000.0 Special facility for extra £10,000 \$Source:Phillips and Drew. \$5Assumes 5.0 per cent inflation rate, 1 Paid after deduction of composite rate tax. 2 Paid gross, 3 Tax free, 4 Dividends paid after deduction of basic rate tax.

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8.00 8.25 8.75

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11.50 12.00

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of the Bill on May 11, it is not too late for you to write to your MP about the effects of Clause 167 upon people like yourself. The Finance Bill costs £13.10 (ISBN 0 10 310289 2), and revised versions will be

published after the committee and report stages. INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

1,000-4,999 5,000-9,599 10,000-49,999 50,000

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IS THERE a minimum period for which shares must be held before the original cost of them can be indexed for Capi-tal Gains Tax purposes?

period

For example, if I purchased shares in June 1988 and sold them in January 1989 can I index the June 1988 price at the January 1989 index rate for the purposes of computing

Yes, the minimum period is ten days. For example, if shares bought on January 31 were sold on February 9, there would be no indexation allow-ance. If the sale took place on February 10, however, there would be an indexation allow-ance of 7.207 per mille (8/ 1110ths). The indexation allowance for

shares bought in June 1988 and sold in January 1989 is 4.12758 per cent (44/1066ths).

Jointly held investments

advise me of the position relat-ing to foreseeable capital gains on currently jointly owned investments in equities, unit trusts, government stocks, income bonds (National Savings), and single premium insurance bonds of long stand insurance bonds of long stand-ing. Will they be deemed to be divided 50-50 between husband and wife or still remain part of the husband's tax bill as at

always entered half the income from the jointly held invest-ments under "Self" on your tax returns, and half under "Wife." Similarly, presumably you have entered separate figures in the capital gains sections of our tax returns for your wife's half share of the sale proceeds of joint investments, under "Wife." That being so, there

will be no change.
On the other hand, if you have always entered the whole of the income and gains under "Self," that may well be taken as evidence that you do not consider that you are hose consider that you are here. consider that your wife has any beneficial interest in the assets held in joint names.

There will not normally be any CGT to pay on disposals of

government stocks or National Savings income bonds. Gains on single-premium insurance bonds attract income tax, not CGT. It is quite likely (on the limited data provided) that the whole of the gains on the insurance bonds will be assessable as your own income.

Marital home

BEFORE HER marriage my BEFORE HER marriage my daughter was buying her own house on a mortgage that already repaid half the eventual selling price. After marriage 18 months ago she and her husband moved to a larger house and contributed equally to the cost of the mortgage. The house is still in my daughter's name only.

If they were to separate or

if they were to separate or even divorce, what would be my daughter's position as regards the house? Would she be obliged to sell and give her husband half of the net proceeds, or would she be able to retain ownership, having been the main contributor for eight years and having paid a sub-stantial deposit on the marital

FROM April 1990 it is proposed to tax husband and wife separately. Can you

Presumably you have

Would her own savings accumulated before marriage be affected by any divorce M Your daughter probably would not be obliged to sell, but she might well have to raise on the security of the house enough money to buy out the interest (if an interest has arisen by repayment of the principal, rather than interest. of the new mortgage) of her husband. On a divorce the total financial position of each party would be taken into

account

MINDING YOUR OWN BUSINESS

MEG DORMAN'S story is a sic format of a housewife berself into a business woman. She started baking cakes in her kitchen and selling them by mail order when her three children were small. Five years later, aged 39 and trading as Meg Rivers Cakes –

Rivers was her maiden name -she is turning over £50,000 a year from her tiny bakery in the Warwickshire village of Middle Tysoe and has firm plans to expand her business at the spanking rate of 50 per

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cent annually.

I was led to her doorway by
the wonderful smell of fresh baking. Her full-time baker, Sue, who graduated recently from a Warwickshire catering ollege course, was busy with a batch of sailing cakes. These are dark cakes packed with fruit and nuts with a hole in the middle to make cutting easier in storm force 10 conditions. Needless to say, they are drenched in rum - that, says Meg, is not so much to preserve the cake as to give sustenance and comfort to the sail-

of cakes her original marketing style. It appears on her price list at £8.50 for a small one or £14 for a large, along with huntsman's cake (loaded with sherry for

the hunting field), summer fruit cake, almond fruit cake, rich English fruit cake, and date and fruit cake. They are outstandingly good cakes. And that is the secret of her-success. She stumbled on the recipe for a good mail order business when she found that people were prepared to pay premium prices for an individually baked cake made from top-quality materials and inno-cent of artificial additives or

She suspected from the start - and has since proved it to her satisfaction by her rising sales graph – that the big companies in the baking and ors who will eat it on cold night watches. confectionery trade and the big quality stores would find such a niche market too trouble-

preservatives.

There are other small businesses in Britain offering mailorder cakes but the potential market appears to be big enough to accommodate them all, judging by Meg Dorman's

Roy Hodson meets two successes in a story . . .

When her youngest child was still only six months old, Meg decided to start in busi-ness for herself, somehow. She reckoned she could not afford a shop but she was a competent cook although, she insists, "nothing brilliant." When someone asked her if she could bake eight cakes for a special event, she produced them in her kitchen, using her coalfired Aga oven, and earned £48. Then she was asked to bake a cake to be sent to someone in Zimbabwe as a gift. She

· It looked to her like the beginnings of a business. So she took a temporary stall in

which she has converted into her shop and bakery. The lease for 15 years was cheap, but she has had to spend £10,000 on the building fabric to bring it up to standard. Equipment has cost her only a surprisingly modest £2,000. She bought her main item, a professional baker's oven, second - hand.

arcade on London's south bank and found she could sell all the A mortgage with her home as security, together with a bank overdraft facility, has enabled her to pay her way to instal the business in its first was written about in one or two cookery columns, and found a trickle of orders arrivpremises. But she says she will need capital for her expansion In her first year, she made 1,200 cakes in her kitchen and plans, which include selling tinned cakes and perhaps developing Meg Rivers tea-

She estimates she will need nerseif while minding the children and working terrible hours." Her only help at that time was a mechanical mixer. But the business was build-ing up quickly as satisfied cus-\$10,000 in capital to expand the business along those lines. However, according to her calculations, her present shop and bakery can sustain a bigger turnover, rising to £150,000 a year. That would mean baking more than 20,000 cakes annu-

ally.
So far, Meg has developed her business without spending a penny on advertising. During her five years in business, she has built up a mailing list of



3,500 names at home and overseas with the help of free editorial publicity and mailed brochures. She estimates it costs her 30p for each mail shot to cover printing and posting. She pays her children "negotiated

'rates" to stuff the envelopes. What is she in business for? I asked. "To start with," she says, "I needed the money. But now, I really enjoy what I am doing. It is a lot of fun and I am very proud to be producing

a quality product "However, it has been tough. When first I moved from the security of my own kitchen into these premises, I felt really exposed to the commer-cial world."



Picture: Topy Andrews Jack Knowles: effers a crash course in pub manager

A THEME running through the series on this page about buy-ing a free house has been that lack of experience need not disqualify a couple with some financial resources who are

eager to run their own pub.
Time after time, studies of
the licensed trade have provided solid evidence that Mr and Mrs X, who have just bought a country pub with their accumulated savings, or the husband's service gratuity, are just as likely to run their business successfully as are Mr and Mrs Y, who have spent their lives working in the licensed trade and catering.

The lesson seems to be that the actual mechanics of running a pub are straightforward enough and not difficult to learn. The hardest require-ments of the calling are the remorseless daily grind, with few opportunities to get away from the business even for short spells, plus the need to be able to get along with cus-tomers and staff and always to show a cheerful face behind the bar even when your

unseen feet are aching.
Nevertheless, some training is highly desirable before taking over your dream pub. If time permits before the date looms for the first opening time. I would recommend seeking a place (or places) on the two-week residential course run by the Brewers Society at Donhead House, Donhead St

Andrews. near Shaftesbury, Dorset. It costs 2529 a person; even then, you are being subsi-dised heavily by the brewers. you will learn a great deal and feel much more confident about taking over your pub. Incidentally, the courses are popular and you will need to book several weeks in advance. Some of the big brewers are cutting back on providing their

the Shell Centre shopping

cakes she could bake. Encour-

aged, she had a leaflet printed,

sold them for £10,000. She

cooked them and packed them herself "while minding the

tomers came back for more.
The foundation of it has been

customer loyalty," she says.

"Ninety per cent of my busi-ness is in the form of repeat

When her turnover reached \$30,000, she found an almost derelict building in Tysoe

offered commercially. I went to Henley-on-Thames where Jack Knowles, the landlord of the The demand for free houses has never been as buoyant. Providing training for the licensed trade looks as if it will be a growth industry

Three Tuns (a charming old inn in the Market Place), runs

monthly courses under the

name Innsight. He trains about 300 aspiring lordlords and land-

ladies every year. Most of them

His Quickstart course is a

two-day programme (costing £115 for each person) designed for people who have just

bought a free house and are in a hurry. On the first day, his

students are taken through

such topics as the publican's

and wife, pub operational

own training in pub manage-ment, or are contracting it out to independent organisations. Meanwhile, the demand for free houses from newcomers has never been as buoyant as during the past year. Providing training for the licensed trade looks as if it will be a growth industry.

The way of the world, how-ever, is that relatively few couples who decide to become Mine Hosts achieve the degree of planning necessary to fit in a full-blown course on pub

ing, and brewing and cellar-manship. On the second day, they are instructed in the arts and mysteries of marketing, promotion, merchandising, management before clinching the deal on their freehold brewery trade deals, fruit machines, staff selection and house. And once the deal is training, bar management and (a grand finale this) difficult done, everything becomes sub-ordinate to the goal of getting customers and trouble the new business running. Such people need some form I was intrigued to find out what Knowles taught on that last tricky topic, which is a constant worry to so many a number of such courses are

"As the guv'nor, maintain a

constant awareness all the time of what is going on in your pub," he advises. "On a busy night, wander among the customers on the pretext of cleaning ash-trays and clearing tables. If there is trouble, start your disciplinary effort with a gentle warning to the ringleader, who can usually be easily identified. But don't make a fool of him in front of his

There is an old maxim in the licensed trade for dealing with pub disturbances: "Send in the lady of the house." But Knowles doesn't recommend it for dealing with the lager louts of today and their girl-frie He and other landlords in Hen-ley have organised their own Pub Watch scheme, with the cooperation of the police. They maintain an organised telephone link between each other's pubs and can often pin**USEFUL ADDRESSES**

☐ Brewers Society, 42 Portman Square, London W1H OBB (tel. 01-486-4831). ☐ Brewers Society pub management courses. Details from Donhead House, Donhead St Andrews,

Shaftesbury, Dorset (tel. 0747-88337). ☐ Innsight (licerised trade training courses), 5 Market Place, Henley-on-Thames,

Oxfordshire RG9 2AA (tel. 0491-573-260). ☐ The Pub Business Course, by Paul Thompson, Pub Law Ltd, 88 Hedingham Road, Halstead, Essex CO9 2DW (tel.

0787-477-739). 🖺 inn Market Profile 1989 (trading patterns and prices of

licensed property on the open market in England and Wales), Inn Data Ltd, PO Box 372, Wimbledon, London SW19 6LH (tel. 01-788-5243).

☐ The Association of Valuers of Licensed Property (secretary, B. Gillham), 18 Blooms bury Square, London WC1A 2NS (tel. 01-636-8992). ☐ The Incorporated Society of

Licensed Trade Stocktakers (secretary, S. A. Berry), 15 Deanburn Walk, Bo'ness, West Lothian EH51 ONB (tel. 0506-825-227).
☐ The Mine Host Licensed Victuallers Accounts Book, published by M. P. Publishing,

183-191 Ballards Lane, London N3 1LL (tel. 01-349-1734). Price £16.50 by mail order. ☐ Blay's Commercial Mort-gage Tables, Blay's Guides Ltd, Churchfield Road, Chal-font St. Peter, Bucks SL9 9EW

(tel. 0753-880-482). D Venners, stocktakers for the licensed trade, 92-94 Tooley Street, London SE1 2TR (tel. 01-403-2511).

point potential trouble before it flares into a serious incident. Computer programmes and electronic cash registers can make a publican's life much easier, but Knowles advises against installing a new system when you move into your pub. "It is better," he says, "to soldier on with the existing system, however imperfect, and then review the technol-

ogy at the end of the first year

when you have formed a clear idea of what you will need." The basic essential is that a

modern till should split sales into three categories - bar sales, catering, and "other" items such as tobacco, crisps etc. The quick way to disaster, adds Knowles, is to run "a jam jar pub" where the takings are popped into various jars. This concludes the series on

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dards, Relais & Chateaux has grown fairly slowly. In 1979

grown fairly slowly. In 1979 there were 290 members internationally, in 1984, 337. In the current year, only 13 new establishments were judged worthy of entering the chain, while there were nine departures. When a Relais establishment is sold, its owner resigns from the chain.

from the chain.

In Britain, the number of Relais establishments may well grow to 20 in September, with two or so net additions joining the present batch, two of which Is Tente Claire in Ion-

which, La Tante Claire in London and Waterside Inn at Bray,

are relais gourmands, which make up the restaurant section of the chain.

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Relais & Chateaux in Britain, says in his introduction to the UK Relais guide: "There is an

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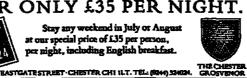
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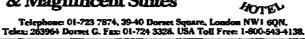


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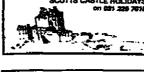


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Michael Thompson-Noel on the best country hotels in Britain



Le Manoir aux shire, Quat'Saisons, near Oxford. Sharrow Bay Country House Hotel in Cumbria, Longueville Manor Hotel in Jersey, etc.

The potential for expansion of the UK country house hotel market is considerable, as a report from Green Belfield-Smith, the hotel and catering consultancy arm of Touche Ross, made clear last August. This is because of the very large number of castles, man-ors and stately homes available, and because big commer cial hotel groups are thought likely to pump large sums into a market formerly dominated by owner-managers.
According to Green Belfield

According to Green Belleti-Smith, the average total devel-opment cost per bedroom in a selection of nine luxury coun-try house hotels that it sur-veyed last year was £96,000, with the most costly being £160,000. Profits varied greatly, but were said to average nearly \$5,000 in gross operating profit per available room — not very much at all, really. You have to work extremely hard to make a success of a

country house hotel, let alone to qualify for an organisation as select as that of Relais & Chateaux. Tim Hart, now 41, tive rural or village position, with exceptional food, wine, service, comfort and welcome, there's a fair chance it is one of quitmerchant banking in 1979 because he wanted to own and run his own business and live in the country. Hambleton Hall cost him £110,000 at a time In Britain they include Tim Hart's Hambleton Hall in Rutland, Inverlochy Castle and the Airds Hotel in Scotland, Gid-leigh Park in Devon, the splenwhen unconverted country did Chewton Glen in Hamphouses were a real drug on the

market. Now, he says, such a property would cost almost

Built in 1881, Hambleton Hall has become a lakeside villa that sits elegantly in 17 acres on a peninsula that juts into Rutland Water, in England's green and pleasant heart. It has 15 bedrooms, and a fine restaurant: the chef is a 25-year-old Englishman, Brian Baker.

"Nine years ago," says Hart, we were one of the first of our kind. There were some about, but no one had made a country hotel so unashamedly like an up-market house. Virtually no-one makes a lot of money out of country house hotels out of country house notes.
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my pension fund. I certainly wouldn't not have done it, but looking back I took a frightful chance - with my marriage, and financially, because I didn't realise at the start how much a business like this depends on local trade."

Tim Hart says that high-roller US tourist trade has declined rapidly in the last two years, partly because of scares about air travel and partly because of the consumer cycle. In any case, tourism has a 0534-25501.

large fashion element. In the period 1984-87, rich Americans came and did the English country house circuit. They've been

and gone.
"One thing that concerns me
is that the promotion of Britain
by the British Tourist Authority (BTA) is not handled very
real! They wear Union Jacks. well. They wear Union Jacks and promote mass tourism. They project Britain as a middle or mass market destina-tion, whereas much more emphasis should be placed on the other side - Ascot, Henley, all that. We need to promote Britain as a destination for sophisticated travellers."

To join Relais & Chateaux, hotel owners have to survive a ruthless inspection and selec-tion process. There are lots of owners of wonderful houses that have been converted into hotels who assume that that is enough to gain membership," says Hart. "But it's not. We need to know whether a partic-ular hotel offers a first-rate welcome, if it achieves the highest housekeeping standards, serves excellent food, offers outstanding service. To weld that together takes exceptional dedication, particularly when given the chancy finan-cial returns. Essentially, Relais & Chateaux is a guild of

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Travel

Nile cruising through the sands of time

Susan Moore on the river in Egypt

HAT DO you see on a whistle-stop trip to Egypt?
More important, how well do you see it? The majority, it seems, choose to travel vacuum-packed and her-metically sealed, martialled from museum to monument via belching tour-buses and deposited at regular intervals at the comfortably familiar international hotel compounds that punctuate the Nile's east benk

But there is hope for those who cannot bear the prospect of international cuisine, a cruiser the size of a cross-chancruser the size of a cross-chan-nel ferry, or of sharing a Pto-lemite temple with 309 people wearing ridiculous sun-hats and clicking away with their cameras. A tomb or temple can be yours alone if you can face the dawn or the mummifying ridder host

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After the dust of Cairo, Aswan and its islands offer an oasis, a riot of colour and lush vegetation. Skins are darker, colours are brighter and the hollyhocks grow tall. The sugar cube houses of the stately, graceful Nubians are painted ochre and sky blue. The town has the air of a spa. Even the children of the felucca-dynasies splash around in makeshift tubs, propelled by a frenzy of

Few things could be more surreal than driving under the blanket of night air in a button-back caleche decorated with Christmas-tree banbles, tinsel and Chinese lanterns. Every vehicle toots or hoots or books as it overtakes in Egypt. Few things are finer than returning by felucca after sipping drinks (take ice at your peril) on the terrace of the Old Cataract hotel, tacking slowly back and forth across the Nile and silently watching the sun

The Old Cateract is one of the last bastions of Death-on-the-Nile style splendour, though it too has succumbed to modern traveller. Waiters wear fezzes, but white linen and creamy pearls have lost their ground to blue denim

Abercrombie & Kent's Sun Boat is unashamedly modern but offers an old-world service ple, excellent guides, and — joy of joys — only 23 cabins. Uninterrupted tranquility is not what you get on the Nile. International hotel chains have built their multi-coloured car. built their multi-coloured car-buncles and bought cruisers to match, and the trafficking in both directions makes for con-

stant noise.

But there are precious quiet stretches in the late afternoon or disk — watching mountain and desert come close to the river and then slowly receds behind plains of date palms and crops the colour of spring

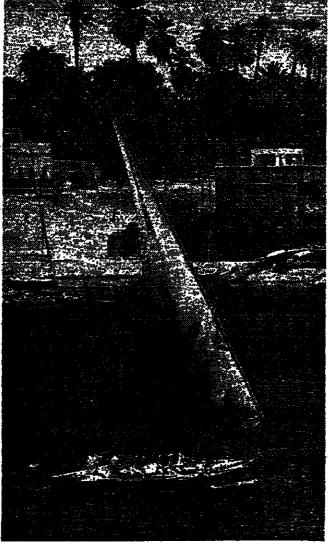
Temple-hopping up the Nile on the Sun Bost turns out to be an indolent dawdle, its pace a full to the immediate — and unfailing — assault on the senses afforded by each site. Blinking in the brilliance of even early morning light, the Temple of Isis at Philae shimmers like an apparition. From the soaring colomades of the outer temple court, the perfect edges of the pylon rise higher still. The great gods cut high into its walls seem quite capable of traversing the heavens and the earth. They are not carved in bas relief, but ingeniously created by outline. It is these shadowy channels that force the giants into sharp

All but submerged since the building of the old dam, the whole temple complex was moved - all 67,000 stones of it in 1986 to the nearby island of Agilquiyyah. Even stolen from its sacred site, it is still easy to see why the cult of Isis, beguiling the Roman invaders, persisted into the 6th century AD. Augustus, Tiberus and Autonius continued the tradition of the pharoahs who defaced the names and images of their predecessors and claimed the work their own.

Anachronistic, degenerate, debased, argue the purists of the sequence of Ptolemite temples that once graced the banks of the Nile but have now been forced inland by silt. Kom.
Ombo, the Temple of Horus at
Rdfu, the finest preserved in
Egypt, Esna – we blinked and marvelled at them all. At Esna,

unusual in retaining its roof, the densely pillared hypostyle hall takes on a new theatrical-

ity. Twenty-four dimly-lit col-



nmns converge on the painted ceiling and burst into all manner of stylised foliage, a tropi-cal rain forest hewn in stone. At the great temple at Kar-nak at Luxor, the highest in the world, staginess gives way the world, stagmess gives way to the silver screen (cartainly the hammy son et lumiere would lead you to think so). But even D.W. Griffith's epic sets for Babylon pale beside this six — originally 20 — acre site of obelisks and temples, whitever and exerned lakes. sphinxes and sacred lakes. Across the Nile, the more subtle monumentality of Queen Hatshepsut's temple is in quite a different league. Echoing the horizontality of the Theban mountains above, Hatshepsut built long and low.

Tiers of terraces and colon-nades apron out to fill the nat-ural amphitheatre, articulating the mountain and assuming its It is a fitting tribute to a formidable woman who, by marrying her father's so became pharoah's daughter, pharoah's sister and god's wife, until she claimed her divine birth and the title of pharoah itself. From here, Hatshepsut began her ascent to the afterlife. Our ascent was by hot-air

This is, of course, not the way we were intended to see the Necroplis, its awesome temples and colossal statuary reduced to the scale of museum models. But only from the balloon's basket does the layout of the site become clear. The backdrop to Hatshepsut's temple is no mere ridge but the edge of a massive mountain

edge of a massive mountain range, bisected by valleys and hollowed with gaping tombs.

The lush patchwork of fields of cut wheat, sugar cane and barley suddenly stops for no apparent reason, giving way to sand without even a stray scrawny shrub. As we drifted low above the sprawling make-shift village of Gurna, with its mudbrick and palm-shaded walls like open shoeboxes, vil-lagers grinned and waved and shouted their greetings, and enthralled-children chased our

Seven days in Egypt can be a very long week.

My travel was organised
by Abercrombie & Kent, tel 01
730-9600. Balloon trips, at £150,
can be booked in London via itself. At 6am, deserted, a moment of peace before the A&K. or at the Luxor Hilton.

Motoring

Mercedes soft-tops the lot

Stuart Marshall falls in love with a sporting masterpiece

bon to the Algarve in May sounds like a good way to get to know a new Mercedes SL convertible in ideal conditions. Having left London in sub-tropical heat, Lisbon greeted me with a downpour. It was still raining next morning as I drove into the city. Multiple shunts had blocked the approach to the bridge over the Tagus but, thankfully, not on the southbound side. By the time I reached the tollbooth,

the rain had stopped.

A convertible comes to life only when the top is down, so I pressed a red button on the console. With sundry clicks and whirrs, 17 proximity switches, 15 hydraulic pressure cylinders and 11 solenoid valves leapt into action. In 30 seconds the snug, watertight SL had become the world's most glamorous – and, to me, most covetable – open sports two-seater, the hood retracted cart of cight as completely as

out of sight as completely as a jet's landing gear.

The weather stayed patchy The weather stayed patchy all the way to Faro. But when clouds gathered I pulled in, fingered the button and the SL closed up again. As I sped open-topped down the Lisbon-Faro highway, some heat round the feet was comforting. Even at speed the topless SL was completely habitable. There was a lot of wind roar, but I was not getting my head blown off. Indeed, given sensible clothing an open SL could be enjoyed on a mild winter day. A detachable hard-top is provided for severe weather – or for places where people tend to slash open soft tops to steal

six-cylinder or five-litre V8 engines — is the first new Mercedes sports car for 17 years. It feels as strong and solid as you expect of a car with a threepointed star, handles with deli-cacy and precision, and has more electronics than any Mercedes yet. These control the engine management and catalytic exhaust emission systems; raise a roll-over protection bar in 0.3 of a second if a potential capsize is detected; and alter the ride height for optimum aerodynamics and stability according to speed.

In addition, they adjust the



pension dampers to suit a driver's mood, always making the ride as comfortable as possible and as taut as necessary. Electronics are also used for tion control device which elim-inates wheel-spin and instabil-ity when accelerating hard. I drove two of the new SLs.

One had a 231-horsepower, four-valves-per-cylinder ver-sion of the three-litre in-line sion of the three-life in-line six used in the 300E, and a five-speed manual gearbox. The other had a 326-horse-power five-litre V8, also with four valves per cylinder, and automatic transmission.

While the three-litre had to

be kept on the boil for best results, the V8's power seemed limitless. Swooping opentopped up hill and down dale was like hedge-hopping in a Tiger Moth, except that the Mercedes was much faster and quieter. It must be the ultimate luxury sports two-seater, equipped like a chairman's lim-ousine but as light and easy to drive as a shopping runabout. It even has a sensible boot. Just before the SL made its

debut at Geneva Show in March, Mercedes-Benz changed its mind about offering buyers a run-flat tyre made by Continental as optional equipment. It is called CTS (ContiTyreSystem) and lets a car continue after a puncture far enough for the driver to get the wheel

changed.

The problem is that CTS, which looks like no other tyre, is mounted on a unique wheel. Possible supply and service problems may be enough to make buyers think twice about having it as an optional extra.
They certainly made Mercedes-Benz back-track while it investigated an alternative. The SL will not reach Britain with right-hand drive before October. Prices, although high, may not be quite as high as had been anticipated at Geneva. A base model with a 190-horsepower engine and two valves per cylinder could be just under £40,000 while the V8-engined 500 SL will probably be more than £50,000 but not as much as the forecast £55,000. The bad news is that every one of the 2,200 to 2,400 SLs that will be imported into Britain in the next two years has already been spoken for. It can only be a matter of time before "delivery mileage" examples are changing hands

at inflated prices.

Queueing up for an ugly Alfa

THE ALFA Romeo limited-edition SZ coupe is about as beautiful as a Tom and Jerry cartoon bulldog, but that hasn't stopped more than 140 Britons making serious enquiries about buying one.
Only 1,000 of these
Zagato-bodied coupes will be

£40.000 apiece. Alfa Rome are said to have been inundated with enquiries e car startled Geneva ow-goers with its brutal and previewed there in March. What is the attraction? Not so much its 156 mph (251 kmh) performance as its investment tential. There are plenty of better-looking cars capable of matching the Alfa Romeo SZ coupe's largely unusable maximum, but they tend to be diminishing, not preciating, assets. Peter Kinnaird, managing

director of Alfa Romeo (GB), ays collectors are rating the SZ a blue-chip investme Anyone wanting to take a punt on one should go to an Alfa Romeo dealer, place a

firm order and leave £5,000 deposit. Alfa Romeo (GB) will know how many it has been allocated by the end of July and will sell them on a first come, first served basis.
The car, with a three-litre
V6 engine, is based on the 75
sports saloon and is so
low-slung you have to hitch up the remotely-controlled suspension to climb a steep petrol only, has a catalytic converter, leather seats, power steering and air conditioning.

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daily swarm, the subtlety of the scheme begins to reveal Still in conflict with the Crown

THE ENGLISH Tourist Board is next week re-launching its controversial Crown hotel classification system — and is still likely to run into opposition from several leading hotel groups who believe the scheme is anticeding and unworkshie. Exact details of the changes to the Crown scheme are being the Crown scheme are being kept under wraps by the ETB until next week, but it is seems likely that the proposals may still not go far enough to satisfy all critics of the scheme. The Crown system was brought in just three years ago by the tourist boards of England, Scotland, and Wales to try to give tourists from both Britain and overseas an objective guide to the facilities offered by all types of serviced accommodation — ranging accommodation — ranging from pubs and farm-houses through to luxury hotels such as the Savoy in central London. Depending on the facilities offered, a crown rating

Chess

IN ONLY its second year of

competition, the Watson, Far-ley & Williams international which ended in London this

week has already become a major event on the British chess calendar. Hosted by the City solicitors in their offices

at Minories, EC3, it gained sta-tus when the Corporation of

London co-sponsored the tour-nament and the Lord Mayor

sen and US champion Wilder.
As a sign of Britain's rising
status, the other GMs were

nian No. 1 who defected to

Mihai Suba, who speaks

excellent English, is playing a significant role in his adopted

country by participating in

tournaments and providing well-written instructional

articles in the monthly maga-

made the opening move.

from one to five is awarded.

The idea was not a new one:
in fact, discussions on such a scheme started shortly after the Tourism Act became law in 1969 and have continued in various forms ever since.

The aim of a nationwide objective grading scheme for serviced accommodation was simple: to help raise standards by letting tourists know in advance what were the mini-

mum levels of accommodation being offered.

The problem, however, with introducing an objective grad-ing scheme based solely on easity identifiable factors such as night porters, room service, and the number of chairs in a room was that it failed to take account of the hotel's ambiance

and reputation.
A small, seaside hotel, for example, could earn the same crown classification under the scheme as a top London luxury

zine Chess. He will be eligible for the England team in the 1990 olympics and looks likely to be selected. Suba's speciali-ties are his understanding of opening finesses and his quick tactical brain, both in evidence in this wash's came.

in this week's game.

Many players, under the

influence of ex-world champion Tal's brilliancies, consider the popular Moder Benoni just as a

tactical opening. As Suba here demonstrates, its more impor-tant purpose is strategic, a

Tower Hotel (although the ETB has tried to avoid this by giving luxury hotels gold crowns.) The trouble is that most con-sumers have been brought up on grading schemes such as those carried out by the AA or -RAC which take into account subjective factors of quality as well as basic standards-when awarding their star ratings.

Hoteliers argued (and in fact voted in a ballot organised by their trade association) for a classification system that included some degree of com-ment on the hotel's style and

reputation.
They also believed it would make more sense for serviced accommodation to be divided into three groups - self service, bed and breakfast style accommodation, and genuine

But the ETB's proposed changes still lack a genuinely subjective element, although it hotel such as the Waldorf or says that this is on the way.

The proposal will be for the objective crown classification to continue, but with an addi-

tional subjective grading being introduced later on.

This is likely to be on the lines of schemes already introduced by the Scottish Tourist duced by the Scottish Tourist Board and planned to be brought in next year by the Welsh which give hotels a qualified grading on quality. The Scots use the phrases 'approved', 'commended' and 'highly commended' although the Welsh are planning to use 'merii' for 'approved'. The ETB is understood to still be considering its phrases.

whether such a system will encourage the large hotel chains to join the scheme remains to be seen, especially as most consumers still are likely to believe that five crowns is the equivalent of five

David Churchill

Scourge of kerbs

from two to 11 wheels bumped-up on pavements

designed for feet, not freight?

I asked this question some weeks ago, incensed at having seen the nicely (and expensively) relaid brick pavements and granite kerbs of Tunbridge Wells, where I live, being broken by greater wells, and granite wells, where I was being solutions. ken by goods vehicles only hours after the workmen had

As yet there has been no reaction from the police or council But within hours I had been invited to join the local Civic Society, which exerts what pressure it can to protect the town's still agreeable environment. I signed up on the spot. However, from the road lobbies such as the British age Association and Freight Transport Association, not a

squeak was heard . . . The FTA's silence surprised me most. As its headquarters are in Tunbridge Wells, it is itself helping to pay for the new pavements through the rates. One or two of its execu-tives may even have admired

tives may even have admired them.

Instructing traffic wardens to stick hard-to-remove warning labels on the windscreens of offending cars and lorries is an idea that still appeals. And I think vehicle-weight graduated penalties (£25 for a car, up to £100 for a lorry) would be an effective deterrent.

The trouble is that the police seem districtioned to do much

seem districtined to do much about pavement parking, even though it is unlawful as well as anti-social. They have bigger fish to fry and seem to believe that if by putting two or more wheels of an illegally parked vehicle on the path a traffic hold-up is avoided, then so be

One can see why they feel the way they do. But, environ-mental impact apart, what about blind people with guide dogs? The labrador has been trained to know the difference between a road and a pave-ment — but what is a pavement with a vehicle parked on it? It doesn't know, so it stops and waits vainly for the

The problem of footpath damage and obstruction is taken seriously in some places abroad. In the last few weeks I have seen row after row of anti-pavement-parking stone bollards in Madrid (aimed at coaches taking tourists to the Prado) and in the back streets

vehicle to go away.

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P-QN4 advance to open lines for Black's rooks and create a passed pawn. White helps by his passive approach but Black's overall plan is a model if you like the Benomi. The chief interest this year was how Michael Adams, already with a grandmaster norm at 17, and Mathew Sad-White: N.R. Davies. ler, at 15 the world's youngest Black: M. Suba. international master, would perform in the company of established GMs such as for-mer world title candidate Lar-Modern Benoni (Watson,

Parley & Williams 1989).

1 P-Q4, N-KB3; 2 P-QB4,
P-K3; 3 P-KN3, P-B4; 4 P-Q5,
P-KN3; 7 N-QB3, B-N2; 8 N-B3,
O-0; 9 O-0, N-B3. Hodgson and King, the UK's most recent holders of the title, and Suba, the former Ruma-O-0; 9 O-0; N-k3.

The other plan QN-Q2 gives the knight options to go to QN3 or K4, but is less thematic in supporting the advance of Black's 3-2 queen's flank pawn

majority. 10 N-Q2, N-B2; 11 P-QR4. More direct is 11 N-B4 with the idea 11 ... P-QN3 (P-QN4; 12 N-R5); 12 B-B4, KN-K1; 13 N-K4

and a triple attack on Black's

QP. Black would therefore probably answer 11 N-B4 with KN-K1, a less active formation than occurs in the game.
11 ... P.N3; 12 B.N1, B.K1; 13
B.K1, Q.K2; 14 P.R3, B-QR3; 15
N(2)-K4, NxN; 16 NxN, P.B4! While White has tried labori-ously to prepare P.K4, Black's strategy has been active and direct, restraining White's cen-

direct, restraining White's centre and preparing the thematic Quide advance.

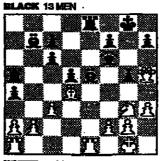
17 B-N5, Q-B1; 18 N-B3, P-N4; 19 PxP, NxNP; 20 NxN, BxN; 21 B-Q2, P-QR4; 22 B-KB3, P-R5; 23 Q-B1, KR-N1; 24 P-R4, B-Q2; 25 B-B3, B-N6.

Classically simple and strong; if White exchanges bishops his QNP falls; otherwise Black establishes a winning passed nawn.

ning passed pawn. 26 R-R1, QB-N1; 27 R-R2, BxB; 28 PxB, Q-B3; 29 B-B2, P-R6; 30 P-K3, B-N4!

Prevents White's last chance of B-K2-B4. 31 Q-Q2, B-B5; 32 B-K2, BxB; 33 RxB, Q-K4; 34 K-N2, R-N7; 35 Q-Q1, Q-K5 ch; 36 P-B3. Black also wins at once after 37 K-R2, R-N8; 38 R-B1, RxR; 39 QxR, R-N8.

36 — QxR! 37 Resigns.
If 37 RxQ, RxR ch; 38 QxR,
R-N7 and Black's pawn queens,
the logical triumph of his entire game strategy. PROBLEM No. 775 A. Anderssen v. L. Paulsen



WHATE 12 MEN

London 1862. Two leading grandmasters of their time met in a game which virtually decided first prize. White (to move) is a pawn down, but the black king defences are weak-ened by his rash P-KN4 advance while his twice-attacked bishop is pinned.
Play went 1 Q-K2, Q-R1; 2

BxB, P-B3. During this brief sequence, both blundered. Anderssen overlooked a win, Paulsen a saving resource.

What did they miss?

After 2 ... P.B3 the game ended 3 Q-R5, RxB; 4 RxR. PxR; 5 Q-K8 ch, K-N2; 6 N-B5 ch, Resigns because of K-B3; 7 QxQ Solution Page XXIII

Leonard Barden

NE OF the great survivors of the French Revolution was the painter Jacques-Louis David. As a young artist he made a commanding reputation in the France of Louis XVI, painting narrative pictures on classical themes.

During the Revolution and the Terror, his Jacobinism had full play and he was hard at work, eminent and powerful, a member of the Committee of Public Safety, in charge of the new dispensation's outward face, organising its specta-cles, denouncing fellow artists who had offended him and abolishing the Academy which had turned down a protégé of his.

After the fall of Robespierre,

David suffered spells of imprison-ment; but soon after Napoleon had come to power, the artist was back at his easel, court painter to the new master of France. His survival through a period of such cataclysmic change was not a question of trimming but of anticipating and, through his painterly insight, cap-turing the mood of the moment

with monumental precision. Nowhere was this more true than in his early masterpiere, "The Oath of the Horatii." The fact that there never was such an oath nor such a moment in Corneille's Horace. which the painting appears to be depicting in no way detracts from its historic importance.

As Lawrence Gowing puts it in Paintings in the Louvre. . . . David Paintings in the Lowre. . . . David had arrived at a cumulative personification of resolve. He created figures that still stand rigid and quivering with their sheer figurative quality. The oath of the Horatii the story that was never told about an oath that was never sworn was an ideal abstraction of resolution and ultimately of revolution, too. It is the single pictorial imagin-ing that ranks with the major deter-minants of history."

Players on a bloody stage

Anthony Curtis reviews a vast but rewarding account of the French Revolution

CITIZENS: A Chronicle of the French Revolution by Simon Schama Viking £20.00, 948 pages

Simon Schama would have no quarrel with that. In his wonderfully rich and rewarding Citizens: A he continually identifies visual images, histrionic gestures, flights of rhetoric, examples from history and literature such as the Promethean will, popular song, the new anthem, La Marseillaise - indeed, the entire sign language of the Rev-

The one public gesture with which the Revolution had a positive obsession was the ceremony of oath-swearing. Six years after he had painted the Horatii, David made a drawing of another solemn oath-taking; but, this time, one that really took place and had momentous consequences. It was the famous Tennis Court

Oath. The National Assembly convened at Versailles had found itself locked out of the Salle de Menus Plaisirs by workman re-arranging it for the presence of the royal coun-

Misinterpreting this as an attempt at dissolution, the deputies removed themselves to a nearby tennis court (the enclosed kind in which "real" tennis is played) and swore a solemn oath "to God and the Patrie never to be separated until we have formed a solid and equitable Constitution as our con-

Schama describes this as "a gesture of sheer genius" because it meant that the assembly ceased to be tied to any particular location. "Wherever they were gathered was to be the National Assembly." It was one more step towards the shift of power from Versailles to Paris

stituents have asked us to."

David shows us the jubilant mass of deputies, arms outstretched, congratulating each other across the court with the wind of change blowing in and billowing the curtains at the high windows.

and the complete erosion of royal

The main events of the Revolution - from the emergence of the Third Estate to the storming of the Bastille, the Declaration of the Rights of Man, the Legislative Assembly and so on, until royal authority was little more than a pathetic farce – are shown in Schama's wast account. Schama's vast account as parts of a continuing narrative in which individuals play their roles upon the great stage before disappearing for

No one dominates the story, not even such principals as Louis XV1, whose ineptness is mercilessly exposed, and who meets his end under the guillotine with some dig-nity long before it is over; nor Robespierre, who only emerges halfway through and has made his exit, too, before the final curtain. We follow some of the exiles like Talleyrand to newly independent America and to England before we are

through.
Schama has proportioned his long

work with great care, starting well before the Revolution. He is con-cerned to show how much alteration and shift of power was occurring within the ancien regime; equally, he sees a considerable measure of continuity after the period of the Terror and the new Calendar.
"With" [he writes] "the momen-

tous exception of the expropriation of the Church, between 1789 and 1792 the Revolution produced no significant transfer of social power. It merely accelerated trends that had been taking place over a longer

period of time."
In the end, Schama concludes, bloodshed was the source of the Revolution's energy. He thinks previous historians have been unduly squeamish about the amount of squeamism about the amount bloodshed and gratuitous violence there was, and he certainly puts that right. You need a strong stomach for his final chapters.

OTHER RECENT books on the Rev-

■ THE FRENCH REVOLUTION AS SEEN BY MADAME TUSSAUD, WITNESS EXTRAORDINARY. by Pauline Chapman, Quiller Press £12.95, 193 pages. Young Marie Grosholtz (who later became Madame Tussaud) saw it all as assistant to Dr Curtius, the celebrated sculptor in wax. A macabre but fascinating story of the Salon de Cire which stayed open all through the Terror and specialised in severed heads.

A CULTURAL HISTORY OF THE FRENCH REVOLUTION, by Emmet Kennedy. Yale UP £19.95, 463 pages. The ideologies and iconography of the Revolution are described, taking in a massive sweep of 18th century

culture in Europe.

REVOLUTION AND ROMANTICISM, 1789-1834, chosen and introduced by Jonathan Wordworth, Woodstock Books (Spelsbury House, Oxford, OX7 3JR). A series of fac-simile reprints of documents in English roughly contemporary with the Revolution.

by Colin Jones. Longman £40.00, 473 pages. A well-organised and useful reference book with chronologies, maps, statistical tables, and a com-plete who's who of everyone who

was anyone in the Revolution, by a senior lecturer in history at Exeter University.

THE OXFORD HISTORY OF THE FRENCH REVOLUTION, by William

These range from Coleridge's slim quarto volume of 1798 containing Fears in Solitude, Frost at Midnight and France: An Ode (£21, 36 pages) to James Mackintosh's stirring Vindiciae Gallicae: Defence of the French Revolution, 1791 (£27.50, 351 pages). All are reproduced impeccably in their original type-faces; but you have to remember that "fentiments" = sentiments, etc.

THE LONGMAN COMPANION TO THE FRENCH REVOLUTION.

Doyle. Oxford £17.50, 466 pages. For readers who need a fairly brisk, non-digressive account of events after the accession of Louis XVI up to Napoleon and the peace of Amiens in 1802, this compact book,

Kathy Page is a young writer to watch. Her latest novel is an

uncomfortable, uncompromis-ing, bleak vision of a future after nuclear arms have been

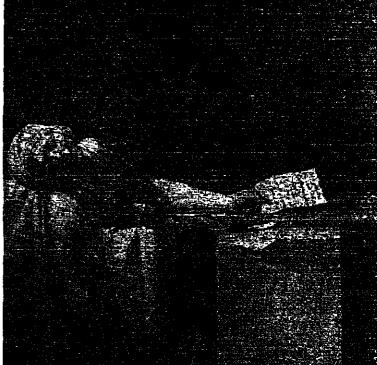
outlawed and universal peace has been negotiated There is a

price to pay: gradually, it emerges that this price is vol-untary death after Age Coun-

selling. The heroine rebels, longs for previous freedoms.
And all is not as it seems in the councils of the great powers. Too much of the book is

elliptic, obscure and confusing at the expense of a minimal plot, but the vision is there and

the writing often has real



Jacques-Louis David's 1793 painting "To Marat, David"

by the professor and chairman of the school of history at Bristol Unitemporaries and much of the suc-

■ VOICES OF THE REVOLUTION, edited by Peter Vansittart. Collins £7.95 (paperback), 366 pages. A skil-fully selected anthology of extracts designed to show the general reader

ceeding decade."

Rousseau, contains a generous helping of Jacobin and Girodin oratory, and ends with a poem on Robespierre by Robert Lowell. Excellently done.

PUNISHMENTS by Francis King Hamish Hamilton £11.95, 198 pages

VACANT PLACES by Stanley Middleton Hutchinson £11.95, 238 pages

THE WIDOW by Caroline Slaughter Heinemann £11.95, 250 pages

by Kathy Page Methuen £11.95, 205 pages

ISLAND PARADISE

HAYBALLS by Peter Tinniswood Hutchinson £11.95, 205 pages

UNLESS CHARACTERS know more about themselves at the end of a novel than at the enterprise. No one knows this better than Francis King, who has rung the changes of revelation throughout his work and whose latest, spare moral fable,

IT IS tempting to think of last year's Education Reform Act

as the epitaph for the wave of

popular dissatisfaction with

Britain's schools which gathered pace in the mid-1970s. It would be only natural for the

reforming impulse to lie dor-mant until the Act's many

Yet, this may be a mistaken way of looking at what is hap-

pening to Britain's schools. The Act might turn out to be

be just one particular mile-

stone, however important, on

the way to a wholly different

education system.
That, at least, is the underly-

ing assumption of a new book on the challenges still facing British education by John Rae,

headmaster of Westminster public school for 16 years. Rae

measures have been absorbed

Awkward encounters

Punishments, is a tough lesson about paying moral and emotional dues. A group of English students are in Germany in 1948 on an

are in Germany in 1948 on an exchange programme. The narrator. Michael — immature, uncertain, unformed — is seduced by bronzed and beautiful Jurgen, who alternately lures him and leaves him. Michael is both obsessed and repelled by what is happening: but we learn from his introductory and valedictory reflections (dated 1981) that he has failed to heed the imperative beckonings and has married Sally, a fellow student, his true nature sensed but acknowledged only sensed but acknowledged only in his dreams. Failure to act on information received being, of course, one of the great tragic

Michael's punishment is only part of what goes on in this apparently straightforward account of awkward encounters. The shambli superiority of the mawkish English students and their mentors is set against the unfathomable reactions of the

Germans. The English, clod-

TOO LITTLE, TOO LATE

by John Rae

Collins £12.95, 189 pages

believes two particular trends

have a long way to run. First, Britain's schools are

still in the middle of a count-

er-revolutionary swing against the progressive orthodoxies which gripped education in the

past two decades - the child-

centred attacks on streaming,

examinations, traditional disci-pline and so on. Rae dismisses

these progressive fads as a

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hopping and blithely oblivious, are made uncomfortable. Jur-gen sets up a trip to Rosen-helm where, instead of the most beautiful cathedral in Germany, the young people have their noses rubbed in total devastation. Punishment, as one character says, is show-ing people what they are really like; and it is even more pun-ishing, as Francis King demon-strates, when they don't understand. Under a deceptively sparse narrative burk unnerv-

Fiction

ing time-bombs.

Treading warily around the emotions is what Stanley Middleton does best. His hero, Henry Fairfax, realises after a partial reconciliation with his ex-wife: "The world had not been turned upside down." Worlds are not turned upside down in this author's novels but, for all that, he remains one of this country's finest fictional heart specialists as well as the definitive chronicier of certain kind of provincial milieu, reaching parts untouched by other seers. In Vacant Places, we are a long way from adultery in NW3.

Schools of thought

"romantic episode," but he believes they still hold sway in

Second, and more fundamen-

tally still, Rae sees Britain as only just coming to terms with

the need to abandon its non-

utilitarian approach to educa-tion. This has allowed teach-

ers, until now the sole arbiters of what should be taught, to

ignore the country's economic

needs. Britain's economic fail-

ure means it can no longer afford the luxury of this approach: it has to harness its

educational system to the dictates of production.

Oddly, for a book which tries

many schools.

Henry is an accountant in his brother-in-law's haulage business and a serious, small-time writer of radio plays; his younger brother is a dissatisfied teacher. Henry's marriage has ended; his wife is now pursuing a successful business career. Jim's mar-riage cracks; their old father dies. Henry and his wife try to come to terms again. So what's Since this is Stanley Middle-

ton, every detail counts: the skilful illusion of realism (cups of tea, walks in the park, pubs) turns out to have unlikely, telling, vitalising detail, the way-wardness of life. From this Chekhovian richness, Middleton teases out the threads of inner lives: the minute shifts of perception and action which dictate how real people behave. Caroline Slaughter has always seemed to teeter on the edge of silliness, even in her Widow is a splendid mixture of

s-f, grand guignol and pop psy-chology.

Bella, the widow of the title, is a totally unbelievable, exqui-

tem from scratch, Rae moves on from these general consider-

ations to a rather ill-assorted pot-pourri of recommendations.

book contains, for instance, a powerful critique of the failure

to think through the central role of the head teacher. But others are impractical to the

point of being whimsical: he suggests that "we" (the Conser-

vative Government?) should try to persuade leading public schools to move voluntarily

into the state sector or to

Some of Rae's prescriptions highlight clear weaknesses in the Government's reforms: the



sitely well-organised, beautiful, intelligent, rich, mysterious, world-famous, humble country heart surgeon and mother-of-four who has a Past. Joseph, a less well-organised prison psy-chiatrist, falls under her spell and the suspense nearly kills

Illustration from the book

him. Honour forbids me to reveal more of a rattling good plot, based on an essentially incredible premise. You must take it all with huge pinches of salt and treat it as the feminist fable it is. But for all Slaughter's excellently contrived thrilly (and frilly) effects, methinks the lady doth protest

restrict their intake to 16-18

year olds.
The trouble is that this well-

written, but unsatisfactory,

book skates round a central point. Britain's education sys-

tem has been failing the country not, as Rae sometimes

seems to assert, because it has taught the wrong things or has

the wrong structure (Rae is very keen that it should be a national system).

The failings are more basic—the inability of the teaching

force to ensure that enough

young people emerge from their years of compulsory

schooling adequately literate and numerate, let alone speak-

ing a foreign language and

understanding a science. To be fair, Rae does at times

point to the low percentage of

Hayballs, on the other hand, is a funny book about the very un-Ambridge activities in the village of Winterleaf Gunner to which Brigadier Empson, a bywhich Brigader Empson, a by-now-famous Tinniswood cre-ation, his daughter Nancy and son William have repaired.

The action revolves round the character of Winston Hay-balls (presently guest-appear-ing on Radio 4), a nauseating

mixture of autodidact and rural rake who raises a few laughs but is basically a onebumpkins apeing town manners is an old English custom. It will sell very well.

Mary Hope



John Rae

and subways.

pupils staying on post-16 as the key weakness of the British system. It is a pity he did not write a book addressing that target head-on.

Surgical success story

SIR FREDERICK TREVES: THE EXTRA-ORDINARY EDWARDIAN by Stephen Trombley Routledge £19.95, 218 pages

SEVENTY YEARS of a very colourful and controversial life have been crammed into the pages of this biography which is, by modern standards, extremely short. Sir Frederick Treves (1853-1923), a celebrated surgeon, reformer and travel writer, did in fact pen an autobiography late in life, but wrested the manuscript from his startled publisher after he was advised against including details of his patients. On his death the manuscript was passed to Lady Treves who, in accordance with her late husband's wishes, destroyed it, along with case books and other papers.

This presents a considerable drawback to the biographer since, as Stephen Trombley explains in his foreword, any explains in his foreword, any real intimacy with his subject is foreclosed. What he essays instead — and manages very advoitly — is both a composite portrait based on personal reminiscences and Treves' published work, combined with a lished work, combined with a glimpse of an age which grows in fascination even as it recedes in time. For Treves's life encompassed the austere certainties of late Victorian England along with the Boer and Great wars, while his pio-neering skills as a surgeon made him an intimate of three successive monarchs and guaranteed him a life that was never short of a juicy controversy.

more importantly, Treves's story paralleled – and quite often determined – the tenta-

tive flowering of surgery as a tive llowering of surgery as a significant and respectable practice, passing as it did from the level of haphazard craft to an exact and effective science. Despite serving his apprenticeship at the London Hospital, where the excellence of

some teaching was continually undermined by an iniquitous system of examination and a sloppy curriculum. Treves emerged as a brilliant student and rapidly advanced through

By 1880, he was a lecturer in practical anatomy at the Lon-don, and the following year was elected Erasmus Wilson Professor of Pathology – an outstanding achievement for a man of 28. He was producing an enormous volume of work in articles that ranged over surgical technique, and was also pioneering a treatment of scrofula. Diligent, prolific. seemingly indefatigable, Treves was the Trollope of Vic-

torian medicine.
Trombley handles the man's unstoppable rise with diligence of his own, although long digressions on appendicitis and its history do not command the same fixity of attention as chapters dealing with the rather more accessible subjects of the Elephant Man, the life-saving operation on Edward VII, the horrors of the Boer War (in which Treves volun-

teered his services) and the ensuing scandal that exposed the incompetence of the Royal Army Medical Corps. Engrossing as it is, however one senses that the historical panorama and its attendant cast (a splendid anecdote on the young Winston Churchill at the Battle of Spion Kop) inter alia are there to beef up the exiguous material on the life in question. Trombley, for all his good work, is still a

biographer working very much on the outside. Yet, we are afforded valuable insights into Treves's charac-

ter, as well as his career. He had all the arrogance of early success, and his appetite for order reveals him as one who put patriotic ideals before common decency.

be perceived as a model to be

admired.
In addition to the experience

of Nazism, Budapest has known two Communist take-

overs: by Bela Kun in 1919 and

the Soviets in 1948. The Hungarian heritage has become sadly skeletal in form but, if Lukacs is right, there is an enduring national spirit upon which to base independence. This book offers the insight

Anthony Quinn

BOOKS OF THE MONTH

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Crime

Menu for murder

DARINA LISLE is a cultivated, attractive young woman who cooks for a living. For the most part she does gala dinners, executive luncheons, receptions. But now, in Janet Laurence's A Deepe Coffyn, she has been asked to provide the meals for a weekend gathering of the Society of Historical Gastronomes, an association of scholars interested in the cookery of the past.

voury aspects of the weekend begin to develop, culminating in two murders. While she continues to feed the surviving now suspect - gastronomes, as well as the police team and a TV crew, she works out the identity of the guilty food freak. Darina's début performance is immediately appealing; she should return soon.

As Darina does her bit, unsa-

You either like Castang, Nicolas Freeling's recurrent protagonist, or you don't. In either case, it is not likely you will find this new adventure, Not as Far as Velma, one of his best. It is even more discursive than usual, and the amount of extraneous information crushes the otherwise inge-

nious story. On being widowed, still-youthful Celia Grant retired to the village of Melbury and

A DEEPE COFFYN by Janet Laurence Macmillan £10.95, 219 pages

NOT AS FAR AS VELMA by Nicolas Freeling André Deutsch £10.95, 234 pages

A BOUQUET OF THORNS by John Sherwood Macmillan £10.95, 206 pages

started Archerscroft Nurseries, soon a thriving business. Through seven novels by John Sherwood, she has fought mites and cankers with one hand and solved murders with the other.

Melbury is not a pleasant place and in this eighth adventure, A Bouquet of Thorns, Celia has to take on almost the entire village (for her ninth, she may have to travel, as none of her neighbours will be speaking to her). In any event, this is - once more - a solidly constructed, neatly narrated

William Weaver ties were electric locomotives

HUNGARIANS today are likely to surrender to unrestrained nostalgia when recalling the Habsburg ancien regime. Those were the days! When will such independence and prosperity return? The important part played by Hungarian nationalism in destroying the old empire has been conveniently

John Lukacs is a Hungarian who emigrated to the US after the last war. An outstanding historian, he knows Hungarian defects well and makes no defence of nationalistic attitudes towards German or other minorities, such as Croats and Jews. Magyars perhaps think (or thought) of other minorities as being that little bit less than their equal. Budapest in 1900 was, nonetheless, a wonderful city in which to be alive and Lukacs does it justice, evoking a splendid and creative place

Successful political arrange-ments with Vienna allowed the city to quadruple in size during the last quarter of the 19th century. A royal palace and a par-liament, new bridges, the opera, a stock exchange and the handsome Andrassy Avenue (now once more recovering its name, having been Stalin Avenue in its day) gave a cosmopolitan grandeur which suited the spectacular natural setting on the Danube. Odön Lechner was an architect as formative in his designs for Budapest as Otto Wagner was in Vienna. Among the novelSweet and sour **BUDAPEST 1900**

by John Lukacs Weidenfeld & Nicolson £16.95, 255 pages

The aristocracy dominated the city. It contained great men like Istvan Szechenyi, Deak and Baron Eötvös, as well as those who did little more than inherit estates. Nor should one omit to mention Count Karolyl, who so incom-petently brought the whole structure down after the first war. Hungary also had its gentry, borrowing the term from England, and it included Endre Ady and Gyula Krudy, whom Lukacs values very highly as writers. Standards of education were astonishingly high, with Latin still a living language to those with claims to culture. The number of men who were to make international reputations is also exceptional. Here are portraits of the painter, Munkacsy, composers Bartok

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and Kodaly and Ferenc Molnar, the playwright, amid a coffee-house throng of others.
The Jewish contribution to

this intellectual and social fer-ment is crucial but has been every sphere Jews were assimi-lating fast, abandoning German or other languages in favour of the native Magyar. Liberalism in the 19th century allowed them this entry everywhere, and the energies released so suddenly in part caused the anti-Semitic backlash that ensued.
Round about 1900, Lukacs

thinks, society began to polarise into Left and Right, in parliament and in intellectual out-look, as well as on the streets, in strikes, and between Jews and Magyars. By then, Buda-pest had become so dominant that its troubles would be those of the entire country, and provincial centres and other outside influences would powerless. More ominous for the future, Germany and its spirit of nationalism came to

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This book offers the insight that Hungarian nostalgia is a good deal more political in intention than it might seem.

David Pryce-Jones

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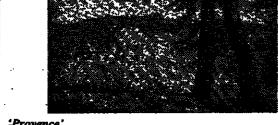
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COLLECTING

HE inexorable rise in the value of the dollar should encourage the UK's antique dealers to polish up their furniture and their silver, their pictures and their porcelain, that little bit harder next week as they prepare for the few days of the year when, briefly. London regains its undisputed position as the world's leading art mar-

The Americans, who tradi-tionally bought around half the stock of many leading British dealers, have been thin on the ground in the last three years, their confidence shaken by an ailing dollar and airline bomb

Their contribution to the prosperity of dealers has fallen to around 30 per cent of sales and only the growth of local buying, inspired by a booming Stock Exchange and tax cuts, plus strong continental inter-est, has kept the antique dealers in comparative clover.
But Mr Charles Clarke, presi-

dent of the British Antique Dealers Association, reviewing a market which has been good but patchy in the last six months, expects the Americans to be back in force this month
- and just in time. For fears of

a recession could discourage the new British collectors, who have been spending their lower taxed incomes on acquiring modern British pictures and English furniture in particular, and, who, in their modest way, Despite the headline-catch-

ing record prices paid in the salerooms for masterpieces, (usually by Japanese in New York for French Impression-ists) business at the local antique shop has not been bril-liant, especially the level of demand for run of the mill objects. Still, this month at least, there is money whirling around the economy, and demand for top quality, rare and unusual items should continue. It may be investment rather than connoisseur buying, but that hardly worries the trade.

On Thursday, the Fine Art & Antiques Fair opens at Olym-pia for 11 days (but not Monpia for 11 days (but not mon-day, June 12) with more than 340 dealers selling, well, every-thing — from Egyptian jewel-lery dating to 1500 BC on the Tortoiseshell stand, to what is claimed to be the largest collection of 19th century portraits of animals at Iona Antiques, to Louis XIV board games at the Barnsbury Gallery. Olympia is probably the larg-

est vetted antique fair in Europe and attracted 28,000 visitors last year. It is a must for the serious collector, with

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lemons and pomegranates
Panel: 19 1/2 x 28 1/2 in/48.5 x 72.5 cm

GROSVENOR HOUSE ANTIQUES FAIR

STAND NUMBER 62

14-24 JUNE 1989

THE

GROSVENOR HOUSE

ANTIQUES FAIR

15th - 24th June 1989

Grosvenor House, Park Lane, London W1.

14th June: Charity Gala Evening 6.00 p.m. – 9,00 p.m. Tickets: £15.00

15th June and subsequent days: 11.00 n.m. - 8.00 p.m.

Enquiries:

* Telephone: (0799) 26699 or from 10th June, 01-629 0024.

cacept weekends: 11.00 a.m. = 6.00 p.m.

Children under 5 years of age will not be admitted.

ssion price, including Handbook, 14th & 15th June: £12.00.

Subsequent days: £10.00. Season Ticket; £30.00.



ert Ludovici's "A young lady reading a book on board a

Time to start polishing

Antony Thorncroft says the Americans are back in town

prices ranging from £10 to over £10,000. Much of the early buying will take place between dealers, and the very best of the bargains might appear from June 15 at that grander, but more overpowering event. the Grosvenor House Antiques

Grosvenor House has an unchanging splendour, and is undoubtedly aimed at the seriously rich.

This year there are some important new faces among the 90-odd dealers, including Agnew, the leading Old Master dealer in the country, appear-ing for the first time in 30 years; Heim, another well established dealer in Old Masestantished dealer in Oin Mas-ters; Pelham Galleries; Danny Katz, who specialises in sculp-ture, a sector which will be more widely represented at the fair than ever in the past; and Kate de Rothschild and Yvonne Tan Bunzl with their Old Master drawings. With Paul de Lamerie silver on offer at Spink; paintings by Monet and Wilson Steer at Whitford & Hughes; Sino-Tibetan 14th century saddle fittings decorated with goldleaf at Bluett; and part of the famous 18th cen-tury wrought iron railings from Chesterfield House at Pel-

ham, the Grosvenor is shaping up to be as flamboyant as ever. No fair these days is com-plete without a theme, pro-claimed through a loan exhibition. Olympia has embraced the French Revolution, show-ing off two rooms, one decorated with furnishings from the royal period between 1772 and 1789, and the other the more simple decor of the Direc-tory era, 1795 to 1800, while Grosvenor House is going back another century to celebrate the accession of William and Mary with loans from the Dutch Royal collection.

Self Portrait oil on canvas,

money today, and with a weakness for ceramics, can pop down to the Park Lane Hotel where the International Ceramics Fair and Seminar continues until Monday evening. This is the most significant event in the calendar for the pots trade and 44 dealers from throughout the world will be displaying their best goods. If prices at Christie's English ceramics sale last week are anything to go by, the trade is in good heart. For oggling rather than for purchase are some of the finest pieces of Tang (7th to 9th centuries AD) in private hands, from the col-lection of Alan Hartman. It includes tomb goods, figures of attendants and animals which by their very profusion could speed the dead spirit to the seat of the ancestors. From June 20, for three days,

Anyone desperate to spend

the world's bibliophiles have their annual reunion, at the Antiquarian Book Fair, also at the Park Lane Hotel. Among the exhibits is the finest Oscar Wilde archive to appear on the market for years, including among its 350 items almost all the special editions of Wilde's works; inscribed copies; and programmes of Wilde first nights. Bernard Shapero, who, at 26, has just become the

at 26, has just become the youngest member of the ABA, is offering it for £170,000.

What with the salerooms organising tip top auctions to cash in on the visiting dealers and collectors, and all the main galleries en fête with special orbibitions the extraord. cial exhibitions, the art world is doing its best to revive the is doing its test to revive the glories of the London Season. Among the exhibitions, pride of place must go to Eskenazi in Piccadilly which, from June 13, is offering ancient Chinese and Korean works of art. There is a group of archaic bronze vessels, formerly in the collection of the distinguished Swiss col-lector Dr Franco Vannotti. In all, the 60 objects for sale are valued at £4m.

Ackermann in Bond Street has Rowlandson drawings and the Walpole Gallery in Dover Street, Italian landscapes. At the Matthiesen Gallery in Mason's Yard there is an important display of French paintings from 1700 to 1850, while the Taylor Gallery, off Bond Street, has 20th century Irish art. The Heim in Jermyn Street is holding its first major exhibition in two years, selling French and English paintings from 1700 to 1850 from schools
- English historical; mythological; French 18th century portraits – which have been out of fashion for some time and are consequently cheap. And that's just for starters. Happy hunting.

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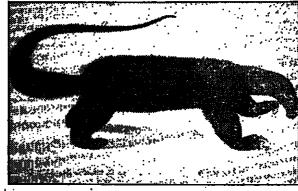
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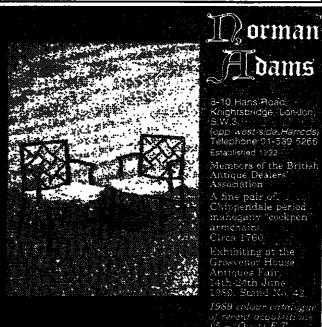
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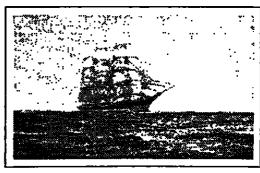
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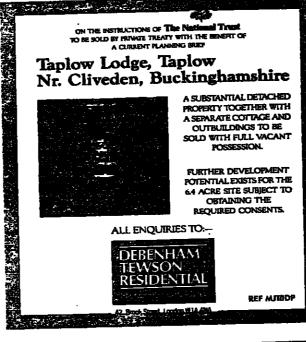
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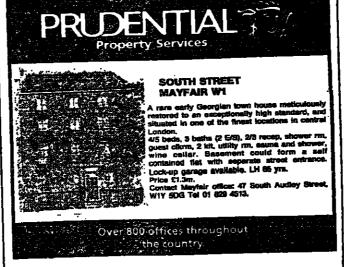
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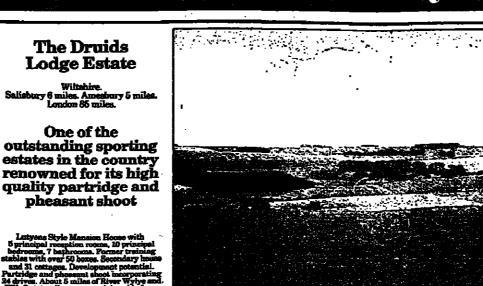
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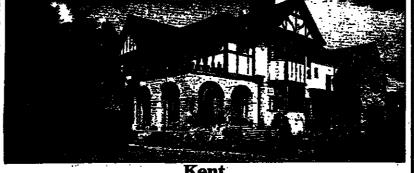
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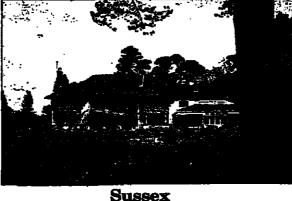
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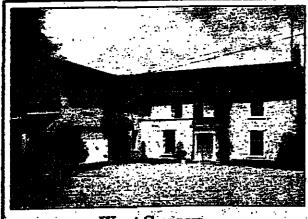
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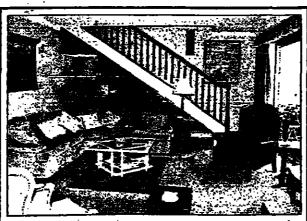
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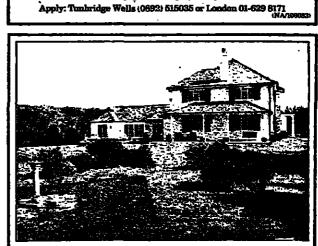
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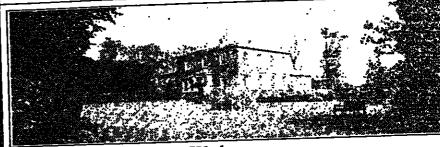
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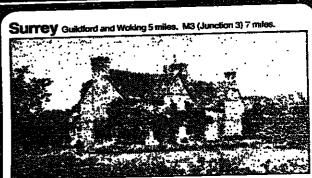
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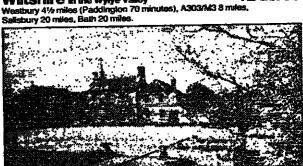
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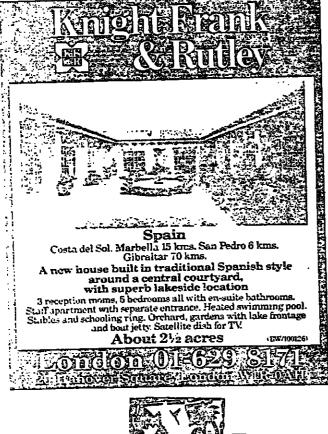
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Audrey Powell turns her back on Spain's crowded beaches in favour of high life in the hills

RUE, THE high and low life of Spain's Costa del Sol is entertaining. But some pre-fer it in limited quantities, especially in the summer. Few of the crowds who visit

that coast go into the mountainous country behind. Yet to turn off on to the Ronda road and drive three miles or so into you into a different world. you into a different world. Here, on a hillog, is a village in the making, like a white bird on a nest, where some 80 owners are already keeping in touch with life on the coast — from a discreet distance.

It must be many an amateur architect's dream to build his or her own village. It was Paco Parlade's luck to be able to do so. A Spanish landowner (with, incidentally, an English wife, from Northumberland) he has spent 20 years running his fam-lu's Madynnal devolutionant in ily's Madronal development in the Ronda mountains.

Six years ago he began devel-oping his village — named La Heredia, after his great-grandfather. The houses were to be "real homes," not the souliess repetitive development of much on the coast, and the project would be limited to

about 250 properties. There are squares and steep There are squares and steep narrow streets of cottagey houses shoulder to shoulder, in true village fashion. But each is different. Parlade designs them himself, passing the plans to his architect to sort out the mundane details.

He delights in pottering round dusty tile factories in Seville, picking out unusual versions for his houses. His father scouts for antique wrought iron gates and grilles and old studded doors from demolition sites, which he buys and stores like a squirrel, until he sees where some can

Inside, the houses have large living rooms, often with inter-esting fireplaces. Floors may be combinations of grey mar-ble and terracotta tiles. Colour-ful ornamental tiles may run between the marble treads of stairs. Kitchens and bathrooms

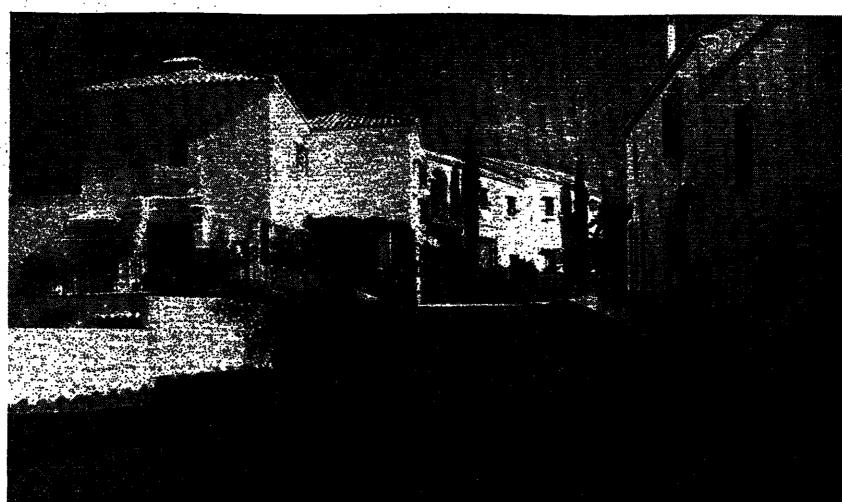
are expensively equipped.

Most houses are white with touches of colour, but a few are the mustard shade found in the soil, or the misty blue that also has local origins. Prices of the two or three bedroom properties go from £105,000 to £150,000, with an annual main-

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Some early houses have gar-dens and swimming pools, but in the newer ones the empha-sis is more on patios. Although a third of the buyers are permanent residents, others are businessmen, air hostesses; people who snatch brief visits, with no time for looking after things, Americans, Swiss, Germans – and some well-known British business names – are

There is a restaurant (the flavour is north African), and communal swimming pools. Some shops are to come. Later Parlade plans to build a church

to give La Heredia a "soul"
and one large house on a high point to represent "the best house in the village," although it will probably be made up of several rather

grand apartments:

A time the contract of the con



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and designs and specifications leve, without doubt, made Bendinat to the model of the property of

In 1987 Prima Immobiliaria, a real estate group subsidiary of the Kuwait Investment Office, took a 50 per cent stake in La Heredia, and at the end of last year it took over the Guadal-mina hotal, on the coast near San Pedro. The hotel has two 18 hole golf courses, where many La Heredia residents play, and a nine-hole course is

being built. Prima also took over the golf courses and a housing development in the grounds (20 plots are still avail-

The group intends to update the hotel and sell it and also to sell shares in the golf courses. The village's residents will have an option to buy. Bearing in mind that the

10.30

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street scene in La Heredia. "genuine" hilltop village signed from scratch by chitect Paco Parlade

crowded Costa del Sol was once just a bare shoreline with the occasional fishing village, one views the vast sweeps of undeveloped land surrounding La Heredia and wonders about its future. It is said to be green zone, but a Swedish company is building a (Ballesteros-de-signed) golf course in front of the village, though below it, and fringe housing is expected. Parlade himself has more land in the area, on which there will

probably be small-scale develcan imagine a completed La Heredia sitting, like "the best house in the village," above it all, serenely undisturbed.

■ Properties are available from the sales office in the vil-lage, or from Knight Frank & Rutley in London (tel 01

629-8171). While in this area, KFR has something else: a new house built in classical Spanish style, of old materials, round a cen-tral courtyard. Twentieth cen-tury additions include satellite television, bot and cold air conditioning and underfloor heat-

ing to the marble floors.

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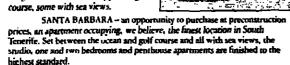
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HE ALGARVE has learnt by experience. Once upon a time it was innocent and sunny and decent. Now it is just sunny, and with innocence long gone it is having to work

very hard on being decent.

The trouble was that its charms were too good and too available. It was ravished by north Europeans, principally the British, who descended in huge numbers and bought from British developers who had land banks to feed demand. Lack of real planning control allowed those so inclined to perpetrate blandness, mediocrity and downright awfulness

The legacy of the 1970s and early 80s is there for all to see, in places such as Quarteira (or Carty-aira to the average Britsh punter who needs to see 1 before e except after c). Ranks of concrete cubes and a grow-ing shanty town on the west side have replaced the former fishing village, leaving only an old house which planners failed to acquire for the dusty dual carriageway back from the sea front. The house now swells the central reservation like an egg in the neck of a That sort of thing led the

English-language Algarve News recently to bleat: "It is still possible for a family to have a very good holiday in the Algarve."
With a little luck, however,

John Worrall on welcome changes in Portugal

How the Algarve is being born anew

nised. A recent major clamp-down on development in the coastal strip and a strong emphasis on quality is chang-ing things for the better, much

The gateway to the Algarve for most people is Faro airport. It handled 2,573,000 passengers last year, all of whom squeezed through one terminal building but a second building is due for completion in the autumn. From the airport, most visi-tors then travel by the coast road, the N125, to their resort. and that has also had its problems through sheer volume of traffic. Things should improve there with schemes currently in hand such as the Almansil by-pass, which will remove a particularly notorious bottle-neck, hopefully by the end of

the year.

In the longer term, a new motorway is proposed to run west from the Spanish border, eventually connecting Sevice. with Lisbon. The line has not yet been finally decided,

although a start has been made on the bridge over the Guadiana river. Fortunately for all those

Fortunately for all those involved, the market had not been significantly affected by the mounting problems. It powered through last year, substantially on the back of price rises in British property which by sale or remortgage financed a vast majority of sales – Britons being by far the predominant buying race – and most agents report continuing nant buying rate - and most agents report continuing annual increases of 20 per cent. A small but increasing trend too is for younger British families to move out and set up home and business, though other nationals, notably the Caratinarians, are herinning. Scandinavians, are beginning to show in greater numbers. None of them will be stuck for choice of location. Among a number of current

schemes in the western Algarve, local developer Helder Pires is building 18 two and three-bedroom cottages and 103 apartments at Vilabranca, close to the historic town of Lagos. The development will

also include a four-star hotel. The first phase is due for com-pletion in September 1989. Two-bedroom apartments start at £49,000 and two-bedroom cottages at £75,000.

David Middleton of London

Agent, GD Properties, says that this area is continuing to see price increases of 20 per cent with 80 per cent of buyers still coming from the UK. Vilabranca can be reached from Faro within an hour on a good day and that will improve as the new infrastructure is put into place. In the central Algarve,

meanwhile, Prowting Homes is developing a golfing resort at Balaia, close to Albufeira, about half an hour west of Faro. Adrian Philips of Bristolbased agent Longcroft Properties says that the first phase, together with leisure facilities, has been completed and apartments in the second phase are currently being occupied.
According to Philips, "It is still possible to buy a one-bedroom apartment at Balaia Village for under 250,000 which is both a

reasonable and an affordable sum in today's market place."

Prowting also offers a "Four Owners Scheme" which differs from most timeshare in that there are only four co-owners. Prowting claimes this has proved a guarantee against ill usage of the property and contents, which has sometimes tents, which has sometimes been a problem with more complex ownerships. Each owner has a freehold title for a quarter of each year, made up of a pattern of weeks covering high and low season which change by rotation among the owners from year to year. Prices start from £13,000, inclu-

ve of furnishings. Further east again, in the area which probably learnt area which probably learn-most from mistakes of the past, there is Dunas Douradas. This is a high quality development of luxury villas, townhouses and apartments by the Scandi-navian Sande Group, located between the well-established golfing resorts of Val do Lobo and Qinta do Lago, a 20-minute drive west of Faro.

Sande is building a total of 360 units among the pines on a 77 acres site which runs down almost to the beach. Pierre Follari, the Amersham-based marketing director, says that 150 of the units have been sold and elopment is progressing at about 70 nnits each year.

Prices range from £59,000 to £350,000, although a majority of the properties are two-bedroom, two-bathroom apartments with prices typically at £87,000, including all taxes and also full furnishings. The latter point is particularly interesting to investors, says Follari, par-ticularly expats currently based in Hong Kong, who have recently come into the market. Many of these are buying off plan with a view to holding for investment until they abandon the colony and come to the Algarve to live.

Sande offers a full manage ment service for such buyers The company takes 45 per cent of gross income but in return looks after all aspects of man-agement including advertising security, cleaning and 24 hour reception. Follari says that owners can still see a net yield of perhaps 8 per cent, to which they can add capital apprecia-tion of 15 or 20 per cent.

As a general footnote, buyers should be aware that pur-chases in Portugal attract a 10 per cent registration fee and a per cent registration lee and a 2 per cent notary charge. If the deal involves a bare block of land and a building contract, those items attach to the land value but VAT then applies to building cost at 17 per cer Many quoted prices include these taxes, but it is a point to clarify at the outset.

London average AVERAGE house prices in London have fallen below £100,000 in the first quarter of

1989 to an all-borough average of £97,800, according to the London Research Centre. Drawing on a borough by borough analysis of mortgage approval figures supplied by the Halifax Building Society, the centre's figures confirm the sensitivity of west central prices in London to changes in investment — as composed in investment - as oppos

owner-occupier - sentiment.



Every borough in the eastern half of London," the report notes, "has either shown an increase over the last quarter or only a slight fall." Islington is an exception, with an 11 per

cent drop in values.

However, the fall in the volume of sales across London does make any analysis of area-by-area prices no more than a guide to trends. And as LRC spokesman Peter Good-win argues, the paucity of comparable long-run figures for London property prices and for household earnings makes any extrapolation of the past few months' events fraught with difficulties.

Still, with a review of past property price cycles, and bas-ing his case on a 10 per cent a year rise in money earnings growth, he says that, "if someone forced me to answer the two fashionable questions at the moment, this is what I would answer. The slump will last three years, during which house prices in London will remain stable."

John Brennan

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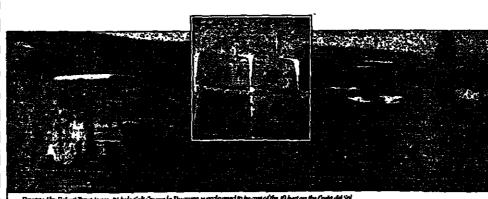
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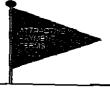
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FT 1 89

PROPERTY

French ease the pain of home-hunting

Audrey Powell on a buyer's guide

HE FRENCH Cham- While some of the French had ber of Commerce in Britain has just published what it terms a survival kit" for anyone seeking a second home across the Channel. Buying Residential Property in France* comprises 78 pages of essential information presented in an easy-going style by contributors who are specialists in their fields.

One cannot help feeling that this is probably the Chamber's survival kit as well, in the face of the mounting number of enquiries it is receiving on legal matters, taxation and practical advice.

However, it cannot resist a gentle dig at some sections of the British buying public, pointing out that "the under-standing of French legal docu-ments requires different skills from those needed to enjoy the delights of the writings of the great French authors ... It is similarly dismissive of the value to the intending housebuyer of being able to choose a

meal in a French restaurant. Since the lifting of British exchange controls people from the UK had gone to France not only to find second homes but to invest in vineyards and,

more recently, in holiday developments, it points out. THIS TIME last year about a third of the properties sold by west London agents Farrar Stead & Glyn were to investors wanting either to rent or redevelop. A third went to people buying a *pied a terre*, and the balance to owner occupiers. The agency's records are much the same for 1987, with tradi-

tional home-buyers outnumbered two-to-one by the more price-sensitive traders and those looking only for a weekday base in town, or topping up children's trusts to buy them an investment alterna-tive to a flat-share.

The extent to which buying demand in central areas of London has depended on these non-traditional, discretionary buyers, and those buyers' greater sensitivity to changes

worried about what they saw as a cross-Channel invasion, others welcomed the arrival of new neighbours in what were becoming depopulated areas. That said, it was clear that

the would-be purchasers had often encountered problems rarely serious, but sometimes expensive. A pattern seemed to be forming. In a significant number of cases people were going for short cuts and were not taking the sort of advice they would have sought if buying in Britain. So this book has been put together. With it the reader is taken through the process of buying and alerted to points for which he may be unprepared, for example:

Something that "will greatly surprise many intending purchasers" is that they will be asked to provide particulars of their marital status, normally with documentary evidence, for instance. (This to avoid possible difficulties in cases of death or divorce).

In most cases the seller is responsible for the estate agent's commission — but in certain regions the purchaser rarely serious, but sometimes

certain regions the purchases To not try to deal with

your French property under English trust law," the hand-



French . . . by design. New houses and apartments built to look old are a special feature of Plan de la Tour near Ste s. Prices from £43,600 to £108,000. The London representative is on 01 409-0571

book warns. The French legal system has no recognition of the law of trusts as understood

in the UK.

The salary multiple system is not used in France. If you are seeking a mortgage in that country French banks must know what a borrower's cash flow is, so have full infor-mation available on earnings

and long-term outgoings.

If you are buying a flat, get hold of an account of the

last meeting of co-owners to see what work they planned for the year and the estimate of

oost per apartment.

An increasing number of Britons are seeking houses in France with the idea of converting them into bed and breakfasts, guest houses or gites, says the book. With gites - basic properties rented out at low cost - there are certain conditions involved, but the level of tax payable by the

why the Chamber went to so other two options and there are other tax incentives. are other tax incentives.

■ Again, "more and more foreigners want to start farming in France." (A young farmer can get financial help to begin). Addresses are given of organisations that can assist if you want to buy or rent a farm in France: se indeed they

farm in France; as indeed, they are for many bodies that can help the general home-buyer. One cannot help wondering

much trouble to help tiresome foreigners, but its little book should certainly provide the practical assistance it sets out to give. Hopefully readers will heed its message and "apply a proper and informed caution" in their search for a home in

*25 (inc p & p) from French Chamber of Commerce, 197 Knightsbridge, London SW7

cases they are content to stay put and take a long-term view on capital growth."

However, some of the smaller residential developers cannot afford to do that. "We are now seeing the first cases of developers going into liqui-dation," Muir said. "Developers with an eye on cashilow seem to be accepting discounts in the 7 per cent to 8 per cent range, unless they are at the

range, unless they are at the stage of weighing the letters from the bank, in which case it is speed, not price, that matters, and bargain hunters can have a field day."

The article on Ecton Hall in the edition of May 27/28 titled "Wake up to a real-life dream home" was incorrectly attributed to John Brennan. In fact the outhor was Carrie Searane.

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Full details of these and other developments along the Cote d'Azur at Cannes, Antibes, Vence, Cavalaire and Tamaris from: CATHERINE MAMET: 29a Union Street, Woodstock, Oxon. Telephone: 0993 812171

Investors play the waiting game

John Brennan on a changing emphasis in the London market

in the outlook for housing val-ues, is highlighted by the agents' sales statistics for the period since Christmas. In line with agency reports.

from across the south east, Farrar Stead & Glyn's sales volume is down about a fifth since then. But there has been an even more marked change in the nature of those sales. As Clarissa Muir, the agency's director of developments, reports, analysis of sales since Christmas shows that 80 per

er-occupiers. Only 10 per cent of sales have been to investors; the pied a terre market has fallen to about 8 per cent; and developers make up the

remaining 2 per cent.

"This seems a continuing trend, with most people expecting the market to stay on a level until next year at least. It was not so much the level of interpret rates but the sweed at interest rates but the speed at which they went up last year that frightened people away from the market," said Muir. Since the agency's main

business is in homes priced well above the first-time buyers' market, she has found that: "It's not that people couldn't afford the extra mortgage payments, but that they have been put off by the lack of confidence in the stability in the market. As a result: Overseas investors are not interested in the UK at the moment. Redundancies in the City have hit the pied a terre market, but it's also that people have been putting off buying if they don't have to."

All of which leaves the normal home exchange business in the owner-occupier market to carry on, if not regardless of the market slide, at least with-out anything like the investors' glum reaction to the end of the residential bull market. Muir confirms other agents' experi-ence that there have been comparatively few "distressed" sales of investment rental properties. "A lot of people have put properties up for sale or rent, but the rental market

still strong and in most

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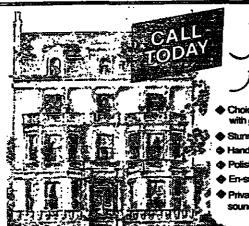


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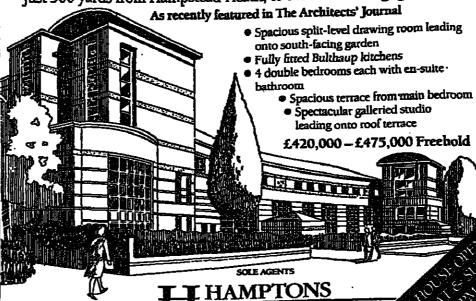
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Ballerina: a bit of a rotten apple

ter? The week after there were Ballerina apples, yet more roses, red delphini-ums, and ever more colours in the flowers and leaves of hardy potentillas.

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In 10 years' time they will not all have stayed the course but, with the true self-delusion of a punter, I still think I can see:the winners among the losers. There are certainly some winners somewhere. It is absurd to become nostalgic, as if every plant in the past was better until we lost it. New intakes are always a mixed bunch: gardeners should not blame the breeders because a few of their improvements are worthwhile quantity and is as skender as a columnar cherry. It is neither golden nor deli-cious and, until the EC fruit-

a step in the wrong direction.
From photographs, I had
high hopes of the Ballerina
apple. It is the new, unright
form which bears fruit in worms come up with some rulmorms come up with some rulmore against its size, it looks as
if it will fit into any garden.
Growing upwards, not outwards, it is a triumph of techmical breeding. It sounded just the tree to mark the corners of a formal design. I hoped to see it as a short, formal avenue at the end of a garden's central vista, or standing like a senti-

A WEEK in Cumbria and

Argyle, mainly with the aim of revisiting some gardens I had not seen for 10 years, revealed

much that was excellent, a few disappointments and led to the

discovery of several gardens entirely new to me. I returned by way of Dawyck and Mander-

ston, the former near Peebles

and, since I was last there, given by Colonel Alastair Bal-

four to the Royal Botanic Gar-den, Edinburgh. Manderston, at Duns, is still one of the most superbly maintained private

rdens in Scotland though lit-

nel in those beds which fash-ionable gardeners like to lay out on the model of a French vegetable garden or formal

In leaf and branch, Ballerina is a visual disappointment. The leaves are a coarse, dull green. The trees do not taper to an elegant point but grow upwards into an awkward top. Of course, the breeders had their eyes on fruit in as narrow a space as possible, but it will be an odd garden which wants to live with Ballerina as a specmen tree in a confined space. I rate them as a technical improvement whose owners will soon grow tired of them.

The man who resists a Ballerina might seem unlikely to fall for a black-leaved plant. I have always had a sneaking fondness for the idea of a few black-leaved plants and flowers black-leaved plants and flowers among white flowers and silver leaves. They must be nearly black, not purple or brown: Viola Molly Sanderson or the lovely dark iris Chrysographes Black Knight, which would convert you if you see it grow-

convert you if you see it growing in a damp place.

The difficulty is to find a taller plant of bold blackness, and so I think there is a future for cimicifuga Racemosa Brunette, even at £9.75 a plant. It was born in Denmark and made an elegant show of dark colour and finely cut leaves in the gardens of Bressingham



Nurseries, Diss, Norfolk. At Chelsea, it struck me as the Chelsea, it struck me as the most promising new member of their well-judged exhibit.

I suspect that it is difficult to propagate, but it grows up to 5 ft high and in August runs to pink-white flowers, like bottle brushes, which are typical of the family and quite welcome at that time of year. The right company would be sombre planting in semi-shade, which the family tolerates, or light and airy white flowers and and airy white flowers and leaves in sun where this black

plant's outline would have exceptional style.
You might think that nobody needs a new clematis, until somebody breeds a genuine

star-shaped yellow. By being negative, I realise I have missed several good recent varieties of which Allanah, from Fisks of Saxmundham, Suffolk, caught my eye as much for its shape as its colour. The petals are spaced widely so that the flowers are towards white. not overpowering. It has the shape of Mme Julia Correvon (if that helps you) but it is a brighter ruby-red which would

east, south or west.

After the infamous Red Ace, my eye has also been off shrubby potentillas and, again, I might have missed a winner. Potentilla Princess (its other name, believe it or not, is Blink) is a pale, pink-flowered form which is much easier on the eye. It has all the virtues of the family: hardiness, strength and a season which runs from June until late autumn so that even the catalogues cannot eraggerate it.

show up well through the stems of well-behaved shrubs and climbers. Fisks claims that it flowers from June to Septem-

ber and will flourish facing

It also has the family's one vice: a habit of looking misera-bly brown all winter, so that I would hesitate to use it as a low hedge or as a plant beneath windows. Otherwise, Princess is not harsh or unci-vilised. She has her fan club which I now join — imagining her as a pretty pale-pink companion for the new white lava-tera Barnsley. Together, they would give continuous flower and no trouble all season. Princess's flowers become smaller during the summer but they do not fade to a messy shade of pink. In hot sun they tend

Lastly, hostas. Some of you seem to have missed the address of the prize-winning Goldbrook Plants of Hoxne, Eye, Suffolk, which I mentioned last week. The hosta story is a non-stop epic of crossing and inter-breeding which will carry on when Dynasty finally comes to a halt. The exciting point, to me, is that American breeders have developed forms with the pure developed forms with the pure white flowers and scent of the old, moisture-loving hosts

Plantaginea. Goldbrook Plants is introducing them, albeit in very few numbers this year. Summer Fragrance and Sugar and Cream are the proprietress's top tips for gardeners who like scent and do not live on unduly wet soil. They sound good, with sweet-scented creamy flowers. Even at £10 each, they are a must for my secret weapon: beds of unadulterated pig manure, the magic recipe which even the sweet-smelling hostas seem to take to

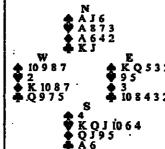
Robin Lane Fox

It would have been easy to miss Arduaine on the shores of Loch Melfort, since it is not included in most of the guidebooks. But a friend had told me I must see it and she was right. It is a garden on its own, independent of any building and reached by a long grass walk from Loch Melfort hotel beside the main road. Osgood Mack-enzie, who created the remarkable garden at Inverewe, much further north, gave advice here in the 1890s when it was started, but the whole story is so strange and romantic that I must reserve it for another

Arthur Hellyer

Bridge

BOTH HANDS today are taken from rubber bridge. The first occurred a few years ago in a game of high standard:



With both sides vulnerable, North dealt and began the bidding with one no-trump. South replied with three hearts. The opener rebid three spades (I call this the economic cue bid because it saves bidding space, are saves bidding space, agreeing hearts as the trump suit and announcing that he holds the ace of spades). South in turn made a cue-bid of four clubs. North said four diamonds and South's six hearts closed the

West led the spade 10. The declarer won with dummy's ace and ruffed the six of spades with his heart 10.

Crossing to the ace of hearts, he ruffed the spade knave high and drew the remaining trump with his king. He then crossed to the king of clubs and returned a club to his ace.

The stripping process was complete - South had envisaged an endplay from

Page Call

the very first trick – and the diamond queen was led from hand, West playing low, and held the trick. East followed with the three. South continued with the knave and this time West covered with

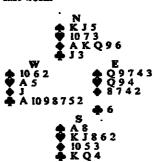
If dummy's ace is played the contract is defeated, but the declarer knew what he was doing and allowed the king to hold.

Rest

East threw a spade and West was endplayed. The lead of a diamond runs into South's tenace, a black suit return gives a ruff discard. If West covers the diamond queen, he is allowed to win and is again

Suppose East wins with the king. If he returns a diamond, South plays his nine. If East had four diamonds, the nine wins; if the 10 covers, the suit

is breaking. The second hand turned up



North-South were vulnerable when, sitting North, I dealt and passed. My hand is too good for three clubs, not good enough to bid one club. North

started off with one diamond, South replied with one heart. I overcalled with three clubs, North raised to three hearts, South said four hearts and all

After thought, I decided to lead my ace of clubs. East dropped the six and South the four. There seemed no hope for the defence unless my partner held a single club, so I continued with the two, a suit preference signal for a diamond return. My partner ruffed and obediently played back the diamond two, which was covered by 10, knave and

The declarer led dummy's three of hearts, finessing his knave. I took my ace, returned the five of clubs, East ruffed and led a diamond for me to ruff and set the contract by two tricks.

After play was over, my partner said: "I really enjoyed that defence when your two of clubs asked me to return found it most enjoyable.

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leatly and is open occasionally in April, May and June for Scotland's Gardens Scheme.

From Hawkshead, we took the hard route to Ravengiass by way of the Langdales over Wrynose and Hardnott. end in view was Muncaster Castle and its great collection of rhododendrons which, last

time I was there, had become overcrowded badly.

Now all is well again, the garden is more beautiful than I can ever recall, and the great grass walk which curls around the ball as a viewing pletform. gardens in Scottand though at the known in the south. My first stop was Grayth-waite Hall on Windermere, 2 garden of great interest because it was one of the first grass wark which cours around the hill as a viewing platform, both for the garden and the whole of Eskdale, is spic and span. Its castellated yew hedge looked as if it had been clipped freshly an hour before we arrived. Like the terraces at in Cumbria to be designed by Thomas Mawson, who started work there in 1889. He became one of the most sought-after designers of the Edwardian period, but I like Graythwaite as well as anything of his. It exhibits perfectly his skill in Braithwaite and the Italian-crafted steps, balustrades and urns at Dawyck, it exemplifies how much so-called "natural" combining formal terraces with lawns flowing easily among trees and into woodland

garden-making can gain from being contrasted with some-thing that is obviously

Next morning a ferry took us to the Isle of Aran for Brodick Castle, where the rhododencaste, where the monoten-drons were strangely short of flower. Then, two more ferries transported us speedily, the first to Kintyre, the second to Gigha where, nearly 40 years ago, Sir James Horlick started to create his remarkable woodland garden on an island barely seven miles long and 1.5

Here, too, there was disap-pointment, for the rhododen-drons were flowering patchily and many seemed in poor condition, perhaps because the tree cover has become too dense or the soil too damp. But there is nothing here that could not be not right given that could not be put right given the will and the labour, and I was told that the island is up

tunity for someone with the romantic vision allied to the practical drive of Sir James.

Back on the mainland, we looked in at Crarae Lodge near Inversary to be delighted by the plants in perfect condition

the plants in perfect condition and performing magnificently. This is the most artfully designed wild garden in all Britain — and I use the word "designed" advisedly for, although it all appears to be natural, little except the gorge and the torrent have happened by chance. Even the self-sown seedlings which appear so seedlings which appear so plentifully are retained only where they can contribute to

the scenes envisaged by the artist-gardener's eye.

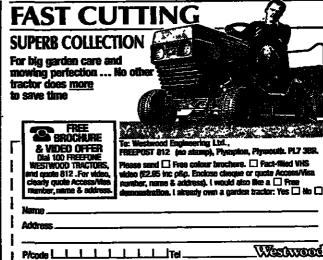
Some of the rhododendron seed collected by J.D. Hooker in the Himalaya in the mid-19th century was sent to Stone-field Castle near Tarbert and is still growing there. The arbo-

reums are immense and there are some good thompsoniis; but what impressed me most were the niveums, which included some of the best incitided some of the best forms I have seen anywhere. The neat, beehive-shaped flower clusters always attract me but the distinctive purple colour can be dull and slatey. Not so the best of those at Stonefield Castle.

It would have been easy to

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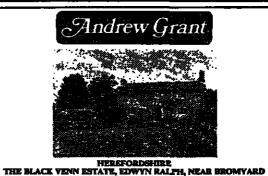


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HE Roman Steps, to be found in the Rhinogs, a compact and intimate range 20 one of the most intriguing historical landmarks of all the Welsh mountains. Starting at around 750 feet, they appear first as a line of stepping stones across a boggy patch of ground, then mature into a pathway of gritstone paving stones which carves its way among the crags to the crest or the pass below Rhinog Fawr.
Precisely who put the stones
there remains one of the mysteries of Welsh history. Their
sheer bravura, akin to the great Roman routes such as Watling Street and Fosse Way, gave them their name. How-ever, although the Romans were probably in the area, prospecting for minerals in the hills of their Weish outpost, the stones almost certainly the stones almost certainly

the stones almost certainly date from later times.

It is most likely that they were laid in the period when Edward I was rebuilding Harlech castle following the English victory over the Llywelyn princes, the doomed dynasty who constituted the last home rulers of Wales. The last home rulers of Wales. The path was thus both a highly functional pack-horse trail between the regions which the English settled, and an emblem of the English ascendancy whose undercurrents persist in Welsh politics today.
It came to be used as one of

the celebrated drove roads, the drovers being - in the words of the writer Richard Sale mediaeval cowboys, herding their cattle to market on the hoof in a manner anticipating the American west. The Roman Steps thus offer one of the most inspirational of walks through history, rich in associ-ations from many eras, includ-ing the ghostly "Other People" of Welsh mythology. Our excursion also provided a salu-tary reminder of the need for caution even on seemingly safe terrain, as well as illustrating just why the Roman Steps

were so invaluable.

The drive to the start of the walk, which we undertook on a dank and overcast day last October, is worthwhile in itself - a narrow lane winding through autumnal glades, reminding one of the most desolate roads of the Scottish highlands, the 30-mile cul de sac that leads to Kinlochhourn. Where the lane ends beside the secluded lake of Cwm Bychan, source of the River Artro, you find yourself in a wild landscape, with granite terraces sweeping down from the layered silhouettes of the Rhinogs above.

With a car-park provided by the local farmer, and a clearly-marked signpost, the walk begins beside the sheep-pens of the nearby hillfarm, climbing at first through a wood before emerging on the open hillside. There were four in our party; myself and my wife Leni and myself and my wife, Leni, and our friends Janet and Paul

Blencowe. We had been gone barely half an hour when a minor disaster struck. The ground was sodden, and in searching for a firm section I led the party across a stream, a move requiring a modest jump.

When Leni's turn came, her foot skidded on the far bank and she slipped into the water. Not only did she give her elbow a painful crack – later we discovered that she had chipped a bone - but she was also drenched, so Janet and Leni retreated to the car for dry clothing while Paul and I

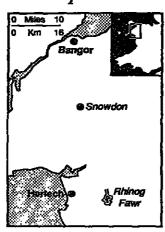
Shortly afterwards we came upon the start of the steps. If



Walks Through History

Steps across the ages

Peter Gillman introduces a new series with an expedition to an intriguing Welsh landmark



the Romans did indeed lay the first trail they did so with their adroit line, cutting directly through expanses of boggy grass and then steering among rocky outcrops. The stones themselves were astonishingly - long enough, one historian has suggested, to accom-modate all four hooves of a pack-horse in need of rest.

They were also worn and polished from the passage of feet over the centuries, so that it was with a due sense or revierence that we added ours.
After rising gently for perhaps half a mile they led into the neck of a steeper defile, the entrance to a gorge whose rocky sides disappeared into the swirling mists above.

It was here that the histori-cal images became most fantastical: the drovers took not only cows but also sheep and pigs, geese and turkey, with the poultry's feet coated with pitch to help withstand the rigours of the walk. The thought of this extraordinary throng passing among the wild rock scenery of the Rhinogs conjured tableaux from Breugel or even

A half-mile further on we reached the bwlch, or water-shed, between the Artro and Eden Rivers. At 1,250 ft, it is marked by a substantial cairn, and it is here that the steps

Why they do not continue on the far side has never been sat-isfactorily explained, but the presence of a large plinth that serves as a vantage point to the east suggests that their prime purpose was strategic, offering both a look-out post for the English forces and a defensible position against any further local threat. On the other hand, it may simply be that the eastern slope drained far more readily, enabling the pack-horses and cattle to find a footing without need of further

off from the plinth towards the summit of Rhinog Fawr. at 2,362 ft marginally higher than its neighbour Rhinog Fach. (Fawr means large, fach means small). Paul and I did not know it at the time, but behind us Leni and Janet had set off again and were by now well into their stride. We headed off along the new path which leads across the eastern flank of Rhinog Fawr to the edge of Llyn Du - the black lake, so named from the sombre reflection of the shattered scree covering the mountain's upper

Llyn Du bas a potent place in local mythology, for it is supposedly formed and mainsupposedly formed and man-tained not by rain but by the fall of dew. The lakes of the Rhinogs are magical in other ways, for they are reputedly ple," the ethereal descendants of the first hill-dwellers who were here before the Romans. The Druids too are said to have made their temples in these

made their temples in these evocative places.

We struck up a gully that headed steeply for the summit of Rhinog Fawr. By now we were in cloud, rendered more chill by an insistent wind. The summit, a purpose-built cemented cairn, was still less hospitable, even when we nestled in a dry-stone shelter close by.

We did not linger, and used our compasses to steer down Rhinog Fawr's southwest ridge and then to strike due north another lake, shown on our map as a strange glove-shaped expanse known as Glowy Lyn. Then came one of those moments of revelation that the mountains can bestow. As we emerged from the clouds the lake glistened in the monochromatic gloom, showing us the way ahead across the rough, boulder-strewn ground.

We picked up the main path that cuts a trough through the purple heather surrounding the lake. We breasted a small rise and there, 540 ft below, lay the long, confident line of the Roman Steps - and walking no less confidently down it were Leni and Janet. We plunged down the hill-

side and caught up with them. Although Leni's elbow was sore, she was at least dry. They been to the watershed and judged it a splendid outing for any walker, "providing they can avoid falling into the river near the start." We agreed and the picture of the Roman Stars cutting its sensuous Steps, cutting its sensuous path through history, has pro-vided me with one of my sharpest mountain memories.

beart. "We had a young girl here once who was only 14 or 15 and he used to propose to her every time he came in. He said she had the joy of life in her face, so much expectancy. She would run to me and hide. She eventually became a nun."

a siesta.

But now, she had to admit
the shop had become a little
tiring. "It is very sad. I will
miss it so much." The others,

wright, has written verse in Beside My Nile Miss You turned the Grand Canal into a Ganges."

Kieran Cooke

Eating Out

Scots offer more than broth

Nicholas Lander takes a gastronomic tour north of Hadrian's Wall

COTLAND is home to many of the finest culinary resources - beef, salmon, deepwater fish and a wonderful variety of game both on the wing and on the hose Such delicacies have never

such delicacies have never been cheap, even when cooked in their simplest form - very often the best - but have served those hotels and restau-rants well which have consis-tently only served the best. tently only served the best. Hence the continued success at the top of such august dining rooms as those at inverlochy Castle (0297-2177) just outside Fort William, or the Peat Inn (033-484-206) in Fife. While inverlochy Castle can naturally provide wonderful views and baronial architecture, the service provided by David and Patricia Wilson at the Peat Inn is less daunting; both, however, offer first-class cooking and very interesting wine lists.

evident in the choice of where to eat; a few wonderful places at the top, little in the middle, and not many good places from the plethora at the cheap end. The continued success of The Ubiquitous Chip in Glasgow (041-334-5007) and Hendersons in Edinburgh (031-252-131) have been the exceptions. been the exceptions.

This has changed in the the

1980s. Tourism is now Scotland's biggest industry, with a turnover of £2bn and employ-ing 130,000 people full time. It is attracting a large amount of foreign custom, from the US, Japan and increasingly from Europe, and money - the Jap-anese now own the Turnberry Hotel (0655-31000) and a share in the consortium that will develop the Old Course Hotel and Country Club at St. Andrews. Fortunately, the Japanese like what Scotland has to offer, whisky and good golf in particular

However, the Scots themselves must take a great deal of credit. They have pursued the marketing of Scotland abroad and raised standards at home with the same vigour as their 19th century counterparts built

THE 1979 vintage is a good example of the need to allow adequate time for an acceptable claret year — at the least — to develop before assessing, for the omens were not all that favourable, with a late spring and one of the coldest summers in Bordeaux's experience.

mers in Bordeaux's experience.

True, the vine flowering in June had been prolific and suc-

cessful but September,

although finer, did not produce

that end-of-season heat that has saved the vintage so often.

Yet, although surpassed in quantity more recently, it was the first vintage in the Gironde

to produce more than 3m hl. of red wine (owing partly to the

switch then in progress from unprofitable white to at least marginally profitable red). In view of this disappointing weather it was not surprising

that, in his annual market report the following March, Bordeaux merchant Peter

Sichel - proprietor of Ch. Angludet and part-owner of

Ch. Palmer - was not exactly enthusiastic about the vin-

tage's prospects.

Accordingly, the customary
10-years-after dinner at my

home, with two Masters of Wine and their spouses,

seemed of particular interest, if

not raising great expectations

in the event, the wines showed

well overall and were more agreeable to drink than the

1978s had been 12 months ear-lier. It was a good year for the

Merlot grape.
The vines were decanted

(but immediately stoppered) rather more than an hour in

advance for those served early and nearer two hours for the

last two or three during a lei-

surely meal.
The order was the same as

on previous occasions: Haut-

ence: from eight to one, together with the total of

marks for each. The smaller the number, the higher the pla-

often difficult to taste along-

side the Médocs and right-bank trio for it is dryer and some-times immediately less forth-coming. On this occasion, it

had a good, deep colour

Hout Brion, Haut-Brion is

bridges and ships. When Gleneagies Hotel (0764-62231) was bought from British Transport Hotels in 1982, it used to close at the end of October until March. Now it is open all year and due to special interest weekends, very good all-round sporting facilities and much better cooking, is enjoying an occupancy rate of 80 per cent for the year.

Hand in hand with this has been the opening up throughout the 1980s of smaller country house hotels, run more as private houses with guests. This culminated in late 1988 with the formation of Scotland's Moritore Hotels, which land's Heritage Hotels, which represents 26 such hotels from a central office in Edinburgh

ever, offer first-class cooking and very interesting wine lists. There has been a similar range of produce at the oppo-site end of the scale — oats, haggis and herrings. This polarisation, mirrored in Scot-land's social make-up, was also evident in the choice of where

augmented by two other significant changes. First, the

emphasis has moved away from the centres of Edinburgh and Glasgow leading to a resurgence of good eating places in residential areas. Sec-ond, the success of owner/occupler restaurants. The residents of Glasgow owe a lot to Ken McCulloch and Peter Jackson at the Colonial (041-552-1928) and to Ferrier Richardson at October (041-942-7272). Their Edinburgh counterpart is Ian

Ruthven.

In 1980, Ruthven opened
Skippers in Leith, a bistro in a
cul-de-sac in what was then a
very neglected, run down district of Edinburgh. He was
accused of being mad and/or
reckless – both in fact essential requirements for any bud-



(031-317-7345). Large and small hotels are also benefiting from the growth of the airports; for one couple from Frankfurt the journey to their hotel north of Oban took only an hour-and-a half longer than a trip to the South of France.

South of France.

In terms of restaurants the changes have been even more dramatic. A definite impetus was given by the relaxation of the licensing laws in Scotland in 1976, which were judiciously implemented. implemented and created res-taurants and wine bars. These in turn were helped by the fact that the Scots seem to differ from the English in their eating habits in that they come in earlier, spend longer drinking and tend to stay longer at the

This relaxation has been

ding restaurateur. Skippers was a success and prospered with the area; it was sold and he turned his attention across

the narrow canal to the Water-front Wine Bar (031-554-7427). Leith has now become so gentrified that Ruthven finds his own development plans thwarted by the residents who have moved into Leith since he showed just how fashionable it could be. He has to be content with serving very good food at very good prices — a phenome-non particularly common at lunchtime in Edinburgh, where the set menu at Pierre Victoire (031-225-1721) is 24.60 for three courses and at L'Auberge (031-556-5888) is 26.50 for two

courses and coffee. Since 1984, Ruthven has also been able to put his skills to work at the cafetaria in the Gallery of Modern Art, Edin-

burgh. It would be wonderful if

burgh. It would be wonderful if something similar could be made to happen at the Burrell Collection in Glasgow, where the cafe is as poor as the collection is wonderful.

To meet this growing demand there has been a similar growth in the number of farms able to supply good quality salmon and venison. Where the local resources are particularly good and abundant, good local cafes and restaurants do not seem far behind. The Loch Fyne Oyster Bar has opened close to the owner's own oyster bed and smokery (049-96264): close to the owner's own oyster bed and smokery (049-96264); close by Arbroath at Auchmitie, But'n'Ben (0241-77223) serves world famous Arbroath smokies and Aberdeen Angus steaks; while the quality of the fish in Aberdeen was enough to lure Didier Dejean from Millau, south-west France, to open the Silver Darling (0224-576-229).

The quality of Scottish

(0224-576-229).

The quality of Scottish cheeses has also risen dramatically — in particular, Lanark Blue and Mull of Kintyre — and demand is leading to a proliferation of goats' cheeses, some produced on a very small scale. When the chef at Gleneagies found himself bowled over by a Teviotdale goats' cheese, he had to agree to buy its total output to ensure continuity — from four goats.

nuity - from four goats.

For those unlucky enough not to be able to venture north of the border, it is still possible to enjoy this culinary renals-sance. The Rannoch Smokery in Pertbshire has been smoking wild red deer for the past three years and offers by post smoked venison at £3.60 per smoked venison at £3.60 per quarter pound; smoked venison marinated in olive oil and herbs at £3.90 per quarter; and smoked venison pate at £2.50 for 250 grams (08822.344). All make excellent first courses.

Also in Perthshire, Smoked Salmon of Perth produces wonderful wild smoked salmon at £9.05 a lb and gravad lax at £11 a lb, (03502-639). All prices are plus postage.

a lb, (03502-589). All prices are plus postage.
Finally, there is the Scotch Malt Whisky Society in Leith (031-554-3451). Founded five years ago by Philip Hills, its aim is to buy the finest malt and to sell it, untreated, to members at cask strength.

Wine

Time is kind to the '79s



firm flavour. Its appreciation depended on one's taste in

Margaux. Surprisingly deep colour, bouquet still closed. Very fruity but far from ready, although with fine style. All were impressed by the depth of Lafite. Full colour, elegant,

vanilla bouquet. Some acidity and light-bodied. Lacking "size" and structure, it falls away a little on the palate. All admired the colour and vanilla

Mouton-Rothschild. Huge colour, vanilla aroma, very round, easy-to-drink and well developed. An engaging wine that was popular with everyone. Latour. Big colour, as expected of Latour. Strong lanolin aroma, perhaps over-oaked, but a surprisingly soft, velvety fla-vour although lacking body and style. Thought disappoint-ing by all.

Brion, Margaux, Lafite, Mou-ton-Rothschild, Latour, Ausone, Cheval-Blanc and Ausone. For many years
Ausone lacked first-growth
quality, and was not included
in these occasions. But a new The glasses were refreshed before the vote was taken on the six diners' order of preferrégisseur in 1975 transformed the wine rapidly and, last year, we tasted the 1978 with the

> The 1979 - a gift from the château – showed promise but was much lighter than the other wines. There was an agreeable St Emilion nose but a slightly sweetened, chaptalised taste and it lacked distinction. Opinions varied on it. Cheval-Blanc. Medium col

concentrated flavour, very fine balance. A wine much enjoyed

Pétrus. Big colour, rich, rounded bouquet, developed quite well, easy drinking and attractive, but not great character for a Pétrus.

All agreed that the wines,

save Latour, were above expec tations for a good but not out-standing year. There was little disagreement over the order of preference. This was as fol-lows, with the total of votes included: 1. Cheval-Blanc (7); 2. Mouton-Rothschild (11); 3. Margaux (24); 4. Pétrus (27); 5. Laf-ite and Haut-Brion; (29) 7. Ausone (44); 8. Latour (45). Cheval-Blanc had come out

top last year with the 1978s, and now scored five firsts and one second, while Mouton-Rothschild's score ran from first to third. After the two first to third. After the two most favoured wines there was a clear gap in the marking, but the next three were very close together. Although facing severe competition, Ausone did prove rather disappointing, although it was appreciated that it takes time to improve the quality and character of a winevant

vineyard. Latour was a disappointment and a surprise, as a bigger wine was expected. It has to be borne in mind that, as on all such occasions, the wines were judged on a single bottle. it so happens that a year earlier, in a big vertical tasting of Latours in the US, a distinguished English wine writer gave a very different account of the 1979: "Profound, black-currenty nose still a bit of

curranty nose . . . still a bit of the Latour austerity . . a lot of concentration, depth and size for the vintage; surely one of the superstars of the vintage." Yet, in our tasting it received three sevens and

three eights.
On the other hand, a more recent evaluation of the 1979 clarets by the same writer was much more critical of the Mou-ton-Rothschild: "Full colour rather unforthcoming on the nose - certainly has merit but I can't find real Premier Cru

quality here. Good length but somewhat four-square, lacking the voluptuous, exciting char-acter Mouton normally shows." Bottles do vary, even these days when wines are bottled after vatting rather than cask by cask. Readers with these in their cellars might well be encouraged to open them. Apart possibly from the Margaux, at least this will not be infanticide.

> Edmund Penning-Rowsell

Wines of Westhorpe -for more wine value BULGARÍA

Blash Caberat - rung rage of peac, on and frelty 2 Merica 1984/85 - Gende dry vel, Hasheve 2 Survignon Blanc - Fesh dry white, Chardonnay - "Clean, france, bear-dry" .. **z6.9**0

Chardonner - "Cloin, frate, box-dry".
Prelies 28.90
Caberner Sarvignon 1984/85 - Full dry
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Full, nellow, saley ref. 30.60
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phomory colouted untime ref. 32.90
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(always a favourable sign), a typical Graves nose (slightly our, lovely round bouquet that comes out of the glass, rich tarry), and a rather austere but

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For a full report on the 1988 Bordeaux vintage, together with a detailed appraisal of the climatic conditions, the style of the wine, the market situation and, perhaps most importantly, an expert independent view on whether this vintage should be purchased an primeur. Plus Tasting Notes On All The Top 300 On More WINES AND AN INDICATION OF WHICH WINE MERCHANT HAS THE KEENEST PRICES send £3.00 for a copy of the June issue of The Vine to Clive Coates MW, LAMBRION HOUSE, 23A HIGH STREET, EALING, LONDON W5 5DF

ANOTHER blow in the solar plexus for those who value the good things in life. Bad enough that the developers' hammers are chipping away daily at Dublin's Georgian past. Sad enough that you cannot get a decent piece of liver in the city for breakfast any more. Outrageous that the price of a pint is edging ever closer to the 152 mark. And now, the closure of Parsons bookshop on Baggot Street by the Grand Canal in

central Dublin. Parsons was a browser's shrine which had served poet and priest, literary genius and the one-page-an-hour crowd since 1947. It was no organised book emporium. Instead, it had that organised chaos that dis-tinguishes a really great bookshop, a place for the explorer, for those who delight in the unexpected. Green Dust, Ireland's Motor

Racing History 1900-1939, stood between The House of Peter: A History of the Vatican and a review of the early works of David Hockney. Obscure architectural books were a special-

Parsons had not seen a lick of paint since 1947. The floorboards creaked. Browsers shuffled about, kicking up the occasional cloud of literary dust. Ever ready to assist, but never intruding or interrupt-ing, were Miss O'Flaherty. Miss O'Riordan, Miss Ronan,

Miss King and Miss Leahy. Miss O'Riordan was the junior of the shop, described as a "blow-in" by her colleagues. having served there a mere seven years. Miss Leaby had put in 10 years, Miss Ronan 28. Miss King 33 and Miss O'Flaherty, now a sprightly 85, had run the show for the past 42

Miss O'Flaherty ("I've never read a book in my life") came into the business by accident.

Final chapter

"I was helping a friend out, upping the price at an auction. I raised my finger and the shop was knocked down to me."

brought my little library in and put it on the shelves. "One day. I came back from lunch and the Confessions was sold, and that started the

Parsons used to sell household supplies and pails for children to collect worms from the nearby canal. "I had the Confessions of St Augustine and some religious poems in my flat and, as we had no stock. I

ary figures and scholars patronised Parsons over the years Brendan Behan used to pop in for the newspaper and a chat. He was the favourite of Miss King, who admits to being in love with the written word and inhabited a confused corner over by the Penguins.
"Brendan would come in and

sit on that stool. He was always polite and generous. If he had money, there would be the hobos lined up outside and he would give them something to go off to have a drink." Patrick Kavanagh has a special place in Miss O'Flaherty's



Miss O'Flaherty in her bookshop: "I will miss it so much"

Miss O'Flaherty says Kavan-agh would often come into the shop to read the racing news in the lowest class of English newspapers. "He was a cre-ative genius. He used to pick up a book take it to the canal and bring it back. We had many customers like that. We never charged them."

Myles na Gopaleen was

another customer. "He was a very quiet man. He must have put all his thoughts and humour into his writing. He'd hardly ever say anything but shuffle in to look words up in the big Oxford dictionary."

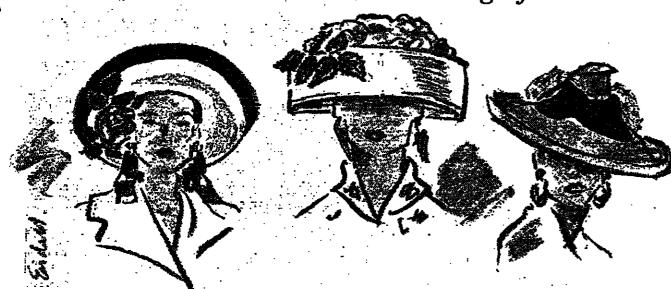
Miss O'Flaherty used to work in a high class fashion shop in Dublin. At one time, she would stay used. she would stay up till 2am playing cards, but in recent years she followed a strict routine. Into the shop after 10am mass, lunch at noon in the litthe restaurant across the road, three hours behind the counter in the afternoon and home for

miss it so much." The others, referred to by Miss O'Flaherty as "the girls," agreed. "It is like dismantling your life," says Miss King.

Browsers past and present will mourn the passing of Parsons, Hugh Leonard, the playments has written particle.

the visitors' book: O'Flaherty

Lucia van der Post looks at high-fashion hats and sheds some light on the conservatory craze



Hats to turn heads

are making sure that each carefully chosen outfit has the right pair of shoes, bag, belt and — above all — a hat to turn a mere suit or frock into a string a part of turn a mere suit or frock into a string a part of the string are sure or the string ar fitting numero with which to grace the Royal Enclosure at grace the Royal Enclosure at Ascot, the green swards of Henley or the garden party. Nowadays, however, hats do not come cheap, and if one leads the kind of life that requires a different outfit including a different hat for each of the four days of Ascot, then ever the fattest of purses can hank at the cost.

Gilly Force a young millinger

Gilly Forge, a young milliner who started learning her craft on an Inner London Education Authority couture dressmak-ing course, went on to work for a few months with Freddie Fox, and just two years ago started her own business under the Enterprise Allowance Scheme, has hit on a useful

Scheme, has hit on a useful idea — hiring out her hats.

Although she has been going only two years, her work has already been spotted by designers like Jean Muir, Arabella Pollen, Anouska Hempel and Bellville Sassoon. Besides her work for these and other clients, Forge always has about 50 different models ready and waiting for the right customer and the right occasion.

waiting for the right customer and the right occasion.

Many come to her with a dress or suit in hand and, between them, they work out which hat will provide just the right finishing touch. She will dye straw, translates and veiling to any colour and her made to order. made-to-order hats cost between £100 and £125.

If you really belong to the hat-wearing classes, however, she thinks it makes a lot of sense to buy a basic straw for about £80 and then hire the other hits and pieces are not cheap, but she can hìre you a hatful for about £25. As and when other occasions arise, you could retrim the straw to order, using either some of her silk veiling (of which she always has a great deal) or a completely different selection

of other trimmings.

If you do not often have occasion to wear a hat but you have something grand loomg, it makes even more sense to hire for the day. For \$25 and a refundable deposit of £60, you can borrow any one of Forge's magnificent collection; and if you give her enough time, she will trim it to match your out-

The hats sketched here give some idea of her style. From left to right they are: North Wall, a fine white straw



banded with navy grosgrain and sporting a large pink rose; Days of Heaven, a white straw trimmed with a misty confec-tion of white silk veiling and a white rose; and Marlene, a saucier number of coarser coffee-coloured straw trimmed with veiling of the same colour

and a navy-blue bow.

Forge is so busy actually making the hats that she asks potential customers to tele-phone first for an appointment (01-603-8833). Her studio is at 14 Addison Avenue, London W11. If you prefer more individ-ual, one-off or even eccentric kinds of headgear, then it could be well worth your while to take a trip round the hatters of Hyper Hyper, 26-40 Kensing-ton High Street, London W1

Hat fanciers may well remember that it was while strolling through Hyper Hyper that Karl Lagerfeld came upon the work of Kirsten Woodward, who has since gone on to who has since gone on to greater fame and glory. Hyper Hyper is where you will find the young and exuberant work of milliners just starting out on their hatting

careers. There are five hatters working in the Hyper Hyper complex, each with a distinct "handwriting" of their own.

The ethnic theme is strong this summer — little jewelled skull caps, fezzes, tassles, bright Mexican colours and rich embroidery. Not all the rich embroidery. Not all the hats are one offs but they are certainly not mass-produced, so you are unlikely to meet too many friends attired similarly. many incomes active similarly. Given that prices of all the established hatters are now exceedingly high, Hyper Hyper models seem to me reasonably priced, starting as they do at about \$19 and with a large selection under \$50

selection under £60.

If you are of the school that

WHEN THE lanes are awash with a white froth of cow parsley and common hedgerow elder, the delicious frivolity of cooking with flowers seems irresistible. Old country recipes suggest picking elder and other blossoms for use in the titchen "as soon as the dew has dried on them, before the sun blazes," and they advocate choosing those that are just opened fully. Pretty words and sound sense, too, as young flowers picked early in the day certainly have the freshest and sweetest aroma.

They advise against washing the blossoms as it robs them of much of their fragrance. Just shake the creamy masses of foaming panicles well to dislodge any little insects or dust that may be nestling in them. I would add to this counsel reminder not to pick close to roads for fear of lead pollution.

or on the fringes of fields where crops may be sprayed.

One traditional way to cook edible flowers is in batter. Elderflower fritters are, I confess, but the battlets of feed and not the healthiest of foods, and they are a bit of a bore to make if you share my dislike of deep fat frying, but they are too glorious a treat not to induige in at least once each

To serve four to six, first mix three tablespoons caster sugar with the juice of a lemon in a shallow dish. Add 18 fine blossoms, placing them heads down, and use the stalks like handles to swirl them around in the mixture. Leave to macerate for about two hours. Make a thick batter with kib plain flour, two tables-

poons sunflower or safflower oil, and eight tablespoons water. When ready to cook, drain the blossoms. Beat the macerating juices into the bat-ter, then fold in one large or two small, stifily-whisked egg

Coat and deep-fry the blos-soms in batches: holding the flowers by the stakes, dip them into the batter, shake off excess, lower into a pan of oil

careers. There are five hatters doesn't believe in lashing ou large sums of money on a little number that might get only a number that might get only a few airings, then it is worth scouring some of the chain stores. The cardinal rule to remember is that if you are buying cheap, keep it simple — nothing looks so cheap as

coarse, shiny veiling and shoddy trimmings. By some historical quirk, BhS has traditionally had an excellent hat department, and this the new team has been determined not to lose. Photographed here is a splendidly bold and simple natural straw trimmed with black, navy or natural ribbon. At £15.99, it's a

climate at bay.

Today, with central heating and double-

Today, with central heating and double-glazing, the conservatory has become an extra room for anything from family breakfasts to softly-lit dinners. They range from a lean-to to extravagant rooms large enough to stage a ball. Most are in between, giving not just extra space but space with an extra dimension to it, space that provides a magical, enchanted link between guiside and in. The glass conserbetween outside and in. The glass conservatory has none of the limiting visual restraints of the four-walled room indoors, nor is it exposed to the rigours of outdoors. No wonder adding on a conservatory has become a great 80s pastime.

You may be happily surprised by some of the starting prices. The do-it-yourself market has increased enormously and

of the starting prices. The do-it-yourseit market has increased enormously and many big DIV stores have well-priced versions. You can pay as little as £388 for the smallest (8ft by 6ft, by Halis) made from aluminium frames and horticultural glass. The largest (12ft by 8ft) is £1,536. Even the simplest structure, when suffused with greenery, with blooms, when lit by candles or lanterns, can generate an atmosphere of quite astonishing magic. quite astonishing magic.
Those who can afford to have them cus-

ONSERVATORIES are no longer extravagant, exotic hothouses, Window devoted to rare botanical species and keeping the grim realities of what is usually called our temperate to a new world

> structure which complements the house and site. Those who long for a model with an aura of Victorian nostalgia are in luck most companies seem to have modelled themselves on the Victorian prototypes.
> However, two companies have moved into the more esoteric Gothic style. Town & Country Conservatories builds only to order, with frames of redwood and fine glass. They have a wide variety of models,

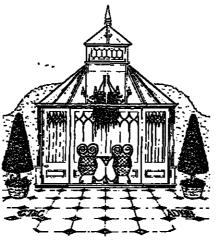
but most look authentically "period," with mouldings, patterned lantern sashes of leaded glass, traditional metalwork and graceful curves. The conservatory sketched below left is the Gothic pavillon that Town & Country Conservatories built for House & Garden at the Chelsea Flower Show, but it illustrates their style perfectly. You should

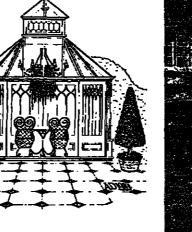
think in terms of spending at least £10,000 all in for a smallish structure, whereas if you wanted, say, a 35ft square dining-room in your garden it would probably cost between £80,000 and £90,000. Though the workshops are in Norfolk the London office is at 53 Ellington Street, London N7 (tel. 01 609-9919).

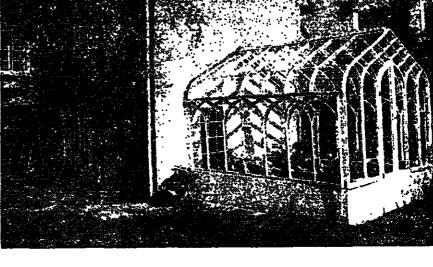
Quite different in concept are Tim Barron's Crystal Palaces. Here the Gothic effect is achieved by using a series of arches, all made of glassfibre, which never rots and needs no painting or maintenance. Glassfibre gives the structure a "period" look and lends itself to the soft curves of Gothic arches. Toughened glass is a standard feature but double glazing and roof ventilation are extras.

and roof ventilation are extras. Though all conservatories are made to order, designs are all based on the same module and they can be ordered in any size in multiples of half a metre. There are size in multiples of half a metre. There are three styles – lean-tos, low lean-tos (where the height of structural wall is a problem) and a conventional ridged design. A lean-to 3 metres by 3 metres would cost £4,495 (£5,843 with double-glazing), erection costs are about another £750. You could have a 4.5 metre by 6 metre model for £9,639 (£12,530 double glazed). Photographed below right is a typical Crystal Palace structure. For details write to: Crystal Palaces. Spartacus House,

to: Crystal Palaces, Spartacus House, Industrial Park, Bourton-on-the-Water,

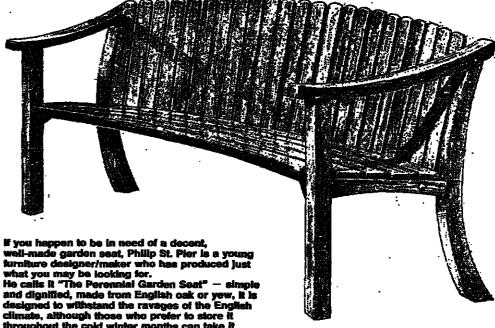






with a brass rose and copp its, it is a close copy of the new it will look a little bright, but a little exposure to the air and it will mellow splendidly. There are two sizes, one gallon (£29.95) and ½ ga (£15.95), by mall order from Recollections, 15, Queen Anne's Gate, i. SW1H 9 BU. Until the company gears up to full production, delivery may up to eight weeks.





throughout the cold winter months can take it apart, treat it with oil and stow it away safely. The seat costs \$433 (plus VAT) and is made to order from St. Pier Custom Built Furniture, Street rarm Workshops, Acton Turvile, Avon GL9 1HH (Tel. 045 421-736).

Drawing by James Ferguson

Cookery

Be frivolous with flowers



off the stalks. Fry for two to three minutes until a crisp

three minutes until a crisp golden brown. Drain and serve piping hot with a dusting of sugar and wedges of lemon.

The fleeting elderflower season can be prolonged by making preserves such as gooseberry and elderflower jam. Less well known is fayberry curd. This is a very rich, soft-textured curd and perfurmed strangly, so it makes a beavstrongly, so it makes a heav-enly treat for elderflower addicts. Like all curds, it is best potted in small jars and stored in the refrigerator. Once a jar is opened, the contents should be eaten quickly spread on scones, used to sandwich sponge cakes or to fill

To make fayberry curd, cook 2lb tart green gooseberries moistened with just four tablespoons water (no need to top and tail the fruit) in a covered casserole in a gentle oven. When the berries are very soft and pulpy, sieve them to a

puree.

Put the puree into the top part of a double boiler. Add 100z sugar, Kib butter cut into dice, and three large eggs

beaten lightly with a fork. Place over barely simmering water and cook, stirring frequently, for about 15 minutes until the eggs bind and thicken the mixture to a rich creamy consistency. Pot in small steril-

Longer lasting, and captur-ing the sweet summer fra-grance of the blossom on its own, is elderflower syrup. To make this concentrated elixir, dissolve '/alb sugar in 1pt water with the zest of a lemon. Bring to the boil and add 12 heads of elderslower, or 24 if you love them extravagantly. Push the flowers well down into the liq-uid and bring back to the boil. Cover and set aside until cold. Then stir in the juice of the lemon, strain the syrup and bottle it. If stored in the fridge, it should keep without spoiling for nine months or more, almost tiding you over from one elderflower season to the

Use the syrup to flavour late summer gooseberry desserts and as the basis for autumnal mousses and jellies studded with muscat grapes. Uncork the syrup in mid-winter and memories of summer will come flooding back as you splash a few drops over pancakes or whisk them into an egg cus-tard to pour over steamed and

baked puddings. Elderflower cordial is the thirst-quenching offspring of elderflower syrup. Make the syrup as described above but add the juice of four or five average and the property of the syrup as described above the syrup as described above the syrup as described and state of the syrup as extra lemons. Bottle and store as for the syrup. Serve well chilled, diluted with just over four parts of iced water to one

part of cordial, in tall tumblers with slices of lemon and plenty

Even more delectable on a

hot summer's day is home-brewed elderflower cham-

pagne, a fizzing, fragrant refreshment that encapsulates the sweet notion of cooking with flowers. I am no wine-maker. I don't have the patience for all that busine campden tablets and racking and I don't have the space for those rows of gurgling jars that malinger like sitting tenants in some people's bathrooms. I pre-fer burgundy from Burgundy and I like my parsnips buttered rather than turned into wine. But elderflower champagne is different. It's not really a wine at all, it's the queen of soft summer drinks, delicate, refreshing and sweet, usually petillant but not always - and very quick and easy to make. Here's how: put the juice and zest of one lemon into a scru-pulously clean one-gallon bucket or bowl. Add a second lemon cut into slices, two tablespoons wine vinegar, 1%lb granulated sugar, and the florets stripped from two dozen fine, fresh elderflower blos-soms. Mash together. Pour on one gallon cold water and stir for several minutes. Cover with a cloth and leave to mac-

erate for two to four days. Strain twice through butter muslin, then bottle. Plug the bottles with corks so that if the drink fizzes furiously in storage, as sometimes happens, it can blow its top instead of exploding in a shower of glassy shards. Alternatively, use plastic bottles with screwtops.

Store the "champagne" in a

cold larder for seven to 10 days before drinking and serve very cold in well-chilled glasses. Elderflower champagne is meant to be drunk during the summer of its making, but I can vouch for the fact that a forgotten bottle found the following spring still tastes

Philippa Davenport

DAVID GOWER AND CHARLOTTE RAMPLING **TOGETHER** (AND NOT ONE **MENTION** OF GOOGLIES).



GQ. The men's magazine with an LQ. June issue out now.

A County Next Publication



N JUNE 14 Phillips is offering for sale 26 items from the archive of Novello, the celebrated music publishers. With a good following wind they could raise £500,000 for Granada, the former owners of Novello, which kept the archive when it sold the com-

The highlight is one of the most fascinating musical docu-ments to appear on the market, an album belonging to the firm's founder, Vincent Nov-ello, in which he amassed musical autographs from the great composers of his day, (the early 19th century), plus contributions from relics from the even greater age that pre-

The album opens with a snatch of Mozart donated in 1829 by the composer's widow, and there is also some Beethoven. Liszt, Mendelssohn, Paganini and the like were on hand to write in their own mementoes. Oddly enough, the manuscript passed out of Novello's hands and was only recovered, through Sotheby's, in 1950, for less than £1,000. Phillips consultant Felix Pryor has placed a fairly conserva-tive estimate of up to £60,000 on it, but the range of enquires suggests that it could go for

Novello also acquired the other most important lot, Men-delssohn's annotated score of his oratorio Elijah, at the sec-ond attempt. The composer fell out with Vincent Novello and switched his work to his great rival, Ewer. But Novello bought up Ewer in 1867 and thus secured a manuscript of music which was only per-formed in its original form once, at the initial performance Saleroom

Musical autographs

Antony Thorncroft notes the highlights of the Novello archives

in Birmingham in 1846. Despite the fact that it was an instant success, Mendelssohn took the score away and severely amended it to the version which has subsequently been performed. Phillips has placed a top estimate of £50,000 on Elijah, but the autograph final draft of the composer's second piano concerto could go for double this sum. The British Library has

secured many of the key Novello manuscripts and the important Elgar collection has been donated to his Birthplace Trust, but there should be keen bidders for such footnotes to the national heritage as Sir

to the national heritage as Sir Arthur Sullivan's autograph setting of "Onward Christian Soldiers," estimate up to £5,000, and for his "Irish" symphony, which has been described as the greatest symphony composed by a Briton in the 19th century.

The sale is a challenge for Phillips, which has no great tradition in this field. It raised some eyebrows when it originally described some of the the manuscripts as "re-discovered," when in fact they had been on loan to the BL, but the been on loan to the BL, but the quality of the material should

Musical manuscripts have featured prominently in the auction rooms for over a decade now, with prices steadily rising. They attract



tion record in the sector, the £2.35m paid at Sotheby's in 1987 for autograph copies of

international interest since nine of his symphonies, far out

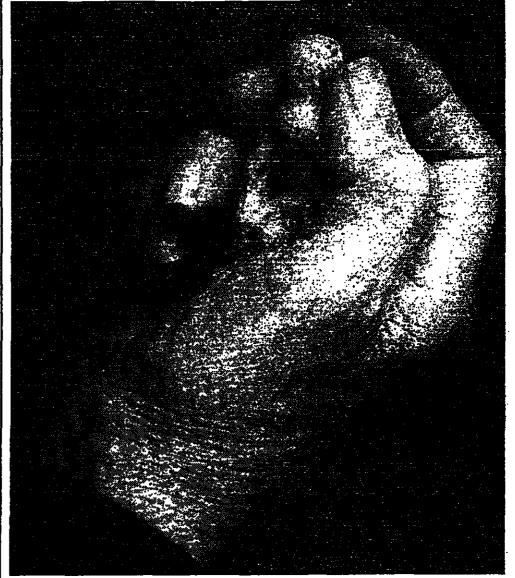
international interest since music is the international language and there are keen collectors in the US and in Europe, plus a few in the UK. Most of the major auctions have taken place at Sotheby's, which showed the strength of demand on May 19 when it held a successful sale. Perhaps the most encouraging feature of the session was the appearance in strength of Japanese bidding. They did not secure any of the top lots, but a Bizet overture, for "L'arlèsienne," went East for £19,800.

Mazart, whose musical reputation has never been higher, naturally attracts most collecting interest. He holds the auction record in the sector, the \$23,500 period of \$2,500 period has survived and he commands a premium, as does Handel. But it is not only the com-posers of the early 18th cen-

expensive because they are hard to find. Autograph music by a 20th century composer, like Dvorak, is surprisingly elusive, as are original works by the East Europeans. At Sotheby's sale a signed photograph of Smetana (with the signature on the back) topped £6,000, a more surprising price than the £11,000 paid in the same auction for a lock of Mozart's hair, along with some of Beethoven's tresses. Availability has told against

Liszt and one of his most important manuscripts, "Alleimportant manuscripts, "Allehda." elegantly presented "as fresh as when the composer laid down his pen," falled to reach its £30,000 reserve. In contrast, a less exciting Lisst manuscript realised £77,000 two years ago. But Verdi's working manuscript of the libretto of Un ballo in maschera, which includes the censors marks necessary for an sors marks necessary for an opera about the murder of a king, was on target at £88,000.

To many the attraction of musical manuscripts might seem odd – indecipherable squiggles on lined paper have limited appeal. But enthusiasts compete hercely to secure the tangible moment when great music was created. There is an investment element in this market, but the main buyers are rich music lovers or muse-



Henry Moore's hand, snapped by Snowdon in 1983

Snowdon's witty ways

WONDER whether the Brighton Festival organisers realise that less than a What-the-Butler-Saw away from their exhibition at the Art Gallery there is an alternative tribute to Snowdon? For that matter, I wonder whether those people pressing their faces against oval cut-outs and being snapped as Charles and Di realise the ver-

Charles and Di realise the ver-satility of the man who took the world's most famous engagement photograph? Lord Snowdon is most widely known as a photogra-pher. Some remember that he is the designer of the Modernis-tic aviary at London Zoo. What will carrie as a surprise to virwill come as a surprise to vir-tually everyone is his wit, and his passion for making and designing all manner of things, whimsical and worthy. From an impromptu, white painted chandelier crafted out of wire, felt and plastic flowers from Woolworth's in 1954 to the Doge's Palace — a Venetian

last Christmas In 1958 he designed the sets for Keep Your Hair On, and a handful of films later a rocking chair for Lord Weidenfeld. We find the successful Chairmobile which fitted any chair and offered a dignified alternative to the wheelchair, and a streamlined fold-up weekend wardrobe which one could buy at Heal's for £30 - but only

three people did.
A silver spoon mangled in the waste-disposal becomes a brooch. A bottle of Berry Bros Good Ordinary Claret suspended in mid air poured

water into a urn to make an eccentric garden fountain. It took a while to work that one out, buffeted by the visitors squeezing past in what is unfortunately a cramped and ill-designed display.

ill-designed display.

The show's apposite sub-title is "a light-hearted look at people, places and things". Ultimately, it is the people — the photographs — that prove most intriguing. The 1950s are documented by zany fashion shots, and with a Cartier-Bresson eye on the world (here the great man is snapped in the sunshine wearing Lady Sarah Armstrong-Jones's straw hat). Armoured batallions of nannies advance down Kensington nies advance down Kensington Gardens pushing perambula-tors, formidable doggie-ladies bark at Crufts, and there are carriages at the Eton-Harrow cricket match. Could that really have been only 30 years

Sadly, there are few of the action pictures, taken during dress rehearsals, that were a major contribution to the stage photography of the 1950s. That said, the most arresting image in the show is struck by the eerie glow of the whites of Alec Guinness' eyes in Hotel Parad-

There seems to have always been a fascination with the capabilities of the human body, whether Nureyev's, Frank Bruno's or, I suppose, Danny La Rue's uncanny capacity to look like Sophia Loren. He has a penchant, too, for people who resemble their dogs - Barbara Cartland and Pekinese, Craigie Aitchison and poodle.

A number of the portraits are self-conscious or trite or lazy. It is simply not good enough to put Olivier in a enough to put Olivier in a baggy jacket and hat and snap him. Snowdon is at his best when he find his subjects engrossed in their own milieu, or alludes to their work. Thus Barry Humphries' head pops out of a commode, Peter Boydell QC straddles a chair naked but for his biking books in a but for his hiking books in a parody of the famous photograph of Christine Keeler, and David Hockney, in sneakers and striped shirt, is where else

but in the shower? Snowdon seems to have an affinity with artists of every kind. The photographs he took for *Private View* (1965), a study of the London art world, are among his most imaginative among his most imaginative and perceptive. A compelling series contrasts the delicacy of Menuhin's hand with the rugged skin and jagged nails of Moore, and the impossibly chubby fingers of Paolozzi. The Private View theme has been updated, not entirely successfully. Liz Frink is given the monumentality of sculpture, the loosely woven scarf she is wearing could almost be a Greek chiton. The defiant Louise Nevelson looks - and was - magnificent. But the image that haunted me was a peep into the home of the Alexander Calders, the sculptor dancing a jig to his wife

playing the accordian.

The exhibition, sponsored by Martini & Rossi, continues nntil July 23

Susan Moore

1 July

7 July

9 July

12 July

18 July

19 July

21 July



Josephine Baker in her heyday in Paris



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_a colebration of theatre!"

even the novel in the dust LYTTELTON: JUNE 22 TO JULY 1



T THE Shepherd's
Bush Library,
through June, there
is a small but choice
exhibition in commemoration of Josephine Baker, who was of Josephine Baker, who was born 83 years ago today. Since her death in April 1975, the legend of Josephine's unequalled verve and glamour and personal fight against racism has only persisted and grown.

The exhibition is drawn from

The exhibition is drawn from a remarkable private collection formed by Bryan Hammond, which also provides the daziling visual part of the recently-published biography Josephine Baker (Jonathan Cape, £28), with text by Patrick O'Connor. Both exhibition and book vividly evoke this book vividly evoke this extraordinary talent which took Paris by storm in the

She was, said Hemingway, who claimed an affair with her, the most sensational woman anybody ever saw. Or ever will." Her beginnings were unpromising. She was the daughter of a St Louis waitress and a musician who happened to be passing. She was put into domestic service at eight and married for the first of several times at 13. She danced by instinct and

pulled funny, cross-eyed faces. In 1921 she joined the second company of *Shuffle Along*, the show which brought black music back to Broadway, as the comedy end of the chorus line. In her next show, Chocolate Dandies, the poet e.e. cummings described Josephine as a tall, vital, incomparably fluid nightmare which crossed its eyes and warped its limbs in a purely unearthly manner.' Paris, however, made Jose-phine. She arrived there in 1925 with the Revue negre. Her survivors.

Best of Baker

permanent image was crystal-lised in the posters and por-traits of Paul Colin. The Revue negre coincided with the Expo-sition des Arts Decoratifs; and Josephine, with her superb sculpted body and hair plas-tered like a close helmet on her

oval head was Art Deco.

Courted by the artists and intellectuals of the day, including Picasso and Cocteau, she was the first major star to dance nude, or wearing only the celebrated loin covering of bananas. Colette wrote that "Josephine Baker, in the nude, shows all other nude dancers the meaning of modesty."

Josephine was generous, brave, incautious, God-loving rather than God-fearing: "that

dear, mystic, magical, unpre-dictable, idealistic, foolish, gen-erous and warm woman," one of her managers called her. Several returns to the US ended in scandal and humilia tion on account of her angry protests against racism.

More and more she regarded herself as French. During the

war she took grave risks working for the Resistance and as a secret agent — services for which she was subsequently decorated. She defied repeated heart attacks to sing for the troops, and for the Buchenwald

After the war she put her by now passionate ideals of universal brotherhood into practice by establishing her "rainbow tribe," a family of a dozen adopted orphans of every race, at her chateau in the south of France. The beautiful experiment was something of a debacle. Josephine, who had never had a family life herself and was obliged to keep working to keep them all, was, albeit loving, an inexpert mother.

ing, an inexpert mother.

Nor was she a good economist. One of the saddest pictures shows Josephine, no longer young, barefoot in shower cap and blanket on the steps of the house where she had been the steps of the house where she had been thrown by the bailiffs, surrounded by her possessions like some bag lady.

She ended in a blaze of glory.
On April 8, 1975 she was fêted in a gale performance of a new show at the Robino to cele-

show at the Bobino to cele-brate the 50th anniversary of the Revue negre. She presided at a party; did a repeat perfor-mance the following night; then went home to slip into a fatal coma, surrounded by her press notices and flowers. Her funeral was the biggest and most emotional that Paris had seen in decades

The exhibition provides a photographic record, from the watchful eyes of the St Louis baby to the ageless icon of the last Bobino revue. There are also posters, songsheets, programmes, books, and gramo-phone records including Josephine's very first recording, for the French firm of Odeon in 1926. It has Kern's "Who?" and Gershwin's "That Certain Feeling" on the other. Josephine had class from the very begin-

Janet Marsh

Radio

Extras in the sporting field

XTRAS ARE scored highly this week. Cricket isn't normally an extra on Radio 3 but now they have The Brad man Tapes, and they are; the first, on Wednesday, a whole hour (childhood to first English tour), was given full importance. The tapes are interviews with the Australian commentator, Norman May. May has clearly been a life-

long fan, so the talk is often technical as well as intimate, and I must play back to it lest I am caught behind by Teresa Maclean, who was a blue at both Oxford and Cambridge. Six shorter tapes will be broad-cast on the Friday lunchtimes at the Tests.

Still in the sporting field, we had that game of golf between Wogan and Jack Woolley (Arnold Peters) in the 10,000th programme of The Archers, I am not an avid enough fan to care if this was not genuinely typical of life at Ambridge. At any rate they all had a good time, and if it was uncharacteristic, it wasn't half so much so as The Archers Special the follow-ing day, a kind of rustic

Hosted by Barry Norman, it featured Cantabile (in their version of the theme song), John Walters of Radio 1 with greetings from the Eddie Grundy Fan Club, Zandra Rhodes and Glenys Kinnock. Everyone had a good time there too, especially the cast of The Archers, who didn't have to perform. Zandra Rhodes reckoned, as I do, that the programme should go on the World Service.

A sort of extra was BBC Radio Goes to Town at the Nottingham Festival Radio 1 took their roadshow to Wollaton Park, John Walters scene. Simon Bates ran a talkshow looking at, guess what, the music scene. Radio 2's Ken Bruce toured the city in a coach-and-four on Monday, seeking reminders of Robin Hood, one of which was your actual Sheviff of Nottrobarr actual Sheriff of Nottina and on Thursday Wally Whyton and his Country Club gave two hours of country

Radio 3's good luck was the second Texaco Trophy game at Trent Bridge, and a visit from the BBC Symphony Orchestra. During the interval at Wednesday's concert, there was an anthology of prose and poetry all about the city. On Radio 4, Robert Kliroy-Silk gave Start the Week on Monday live from Nottingham Playhouse. Last Saturday evening and

the following Monday afternoon, Radio 4 gave in two parts the first radio broadcast of a story by P.D.James, the Dorothy L. Sayers of our day. It was Sayersish in its way, with its literary quotes; but the construction was more like Christie, with an assortment of murder-suspects in a closed situation, as in Ten Little

Niggers.
The victim is the actress
Clarissa Lisle (Caroline Blakiston). Although she has been receiving anonymous threats at each of her first nights, she chooses to go and play The Duchess of Malfi on Courcy Island, off the south coast, whose owner (John Moffatt)

who also collects sinister curios, such as a marble copy of a royal princess's arm. In such circumstances, Clarissa decides to hire a companion-de-tective, Cordelia Gray, who is played with nice restraint by Greta Scacchi, her first part on

In the Saturday shift. Clarissa is murdered with the arm, her face battered. Clues are distributed in a way I should not detail, but I can say that Clarissa's husband. Sir George (Richard Vernon) arrives unexpectedly on the island; her cousin Roma (Patricia Garwood) is anxious to get at her money; simple

leave from school, was swim-ming at the time. What of Gorringe, the owner of the island; of Ivo Whittingham, the critic (Norman Rodway); of Clarissa's dresser, Tolly; of Munter the butler, who, on being told of the murder, gasps "What, in our house?" like Lady Macbeth?

Some (not all) of their sevinvolvements are eral explained in the Monday part, and people linked, rightly or wrongly, with the death. It was entertaining and exciting, well played, and well directed by Matthew Walters.

B.A. Young

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Other July Concerts include: LSO with MSTISLAV ROSTROPOVICH and MIDORI RPO POPS ORCHESTRA in an evening of British Music ROYAL PHILHARMONIC ORCHESTRA with JAMES JUDD and JOHN O'CONOR MOSCOW SOLDISTS directed by YURI BASHIMET PETER SKELLERN and GEORGE MELLY in a Gala Concert for Pight for Sight ROSTAL AND SCHAEFFER GRAND PIANO CLASSICS

JULIETTE GRECO



World of the medieval

Antony Thorncroft reviews Piers the Plowman at Riverside Studios

HE MEDIEVAL Players are a touring troupe who look for drama of the 16th century and earlier. Piers the Plouman must have had an irresistible fascination for them: the greatest surviving English poem of the 14th century and, through its allegorical symbolism, an attack on monetarist values to inspire any Fringe actor's

But although heavy with criticism of the clerical Establishment of its day and the evils of money, Piers the Plouman is also shot through with the religious idealism of its age and is a particularly difficult work to interpret for modern over and ears. Fortunately the eyes and ears. Fortunately the Medieval Players make no Medieval Players make no attempt to re-invent it, and, apart from a few contemporary jokes — "Lucre's aides" become a reviving drink, and the Pligrim clutches the Mappa Mundi — stay faithful to the original. It makes for an absorbing if eventually one dimensional evening. dimensional evening.
The six strong company

effectively conjure up the world of the medieval mystery plays, the actors, helped out by masks and the simple prope of the day, assuming dozens of roles over their homespun white costumes, singing, playing instruments, tumbling, clowning, reaching out to involve the audience in the

bustling scenes. After William Langland's alliterative opening, his vision of a "field full of folk," the text

goes for a vigorous modern translation, and it is the physical enthusiasm of the Players that provides the greatest plea-sure. The dreams of the narrator soon become a confusing jumble, as characters, like Lady Lucre, the personification of monetary greed, briefly appear to confront Conscience, Judge, Repentance and the like. Only the set pieces, such as the repentance of the Seven Deadly Sins, build up a coherent force. For the rest there is

life, is thrown away - he is yet another deus ex machina attering stn.
The Medieval Players are best enjoyed in their own time warp: not to be sedately watched in a dark auditorium but to be confronted in a cart in a medieval street in Wakefield or York, to be reminded of the truths of a lost age through vigorous high jinks, which remove the division between

a confusing mish-mash of sym-bols, which means that the dramatic conclusion, when the

risen Jesus comes to resolve Piers quest for the meaning of

God and man. Apart from some incipient complacency the cast is myriad in its skills, Paul Kirk being memorable as the narrator, Paula Bingham as Lady Lucre, Joanne Howarth as Holy Church, Patricia Martinelli as Sloth, Nicholas Collett as Jesus and Steven Speirs as Avarice.
Dick McCaw is the producer
and Carl Heap, with whom he
set up the Medieval Players almost a decade ago, is the



MID ALL the brouhaba of Thursday night's opening at the Phoenix Theatre of the Peter Hall Company's new production of The Merchant of Venice

"Did you see Mary Archer arrive late?"; "Doesn't Joan Collins look maryellons in a peculiar sort of marvellous in a peculiar sort of way?"; "I'm sitting next to Tom Stoppard"; "Christopher Biggins is sitting next to Peggy Monni"; "Which one is Christopher Biggins?" — surprise was being expressed that Dustin Hoffman could actually walk on the stage as Shylock and not fall over.

It is noten overlooked that many of

It is often overlooked that many of America's best screen actors have as much theatrical pedigree as their British counterparts. Hoffman is one such. I saw him, on my first visit to New York in 1968, give a brilliantly finnny performance in a Murray Schisgal comedy. That topped a solid stage apprenticeship which he did not exploit again on Broadway until 1984, when he transformed Arthur Miller's Willy Loman from the lumbering Lee J Cobb prototype to a fleet-footed, deftly coordinated tragicomic Little Man. It is often overlooked that many of

Playing the outsider suits him, whether it be the crippled hobo in Midnight Comboy or the autistic hero in Rain Man. He thrives in opposition, and there is plenty of scope for that in Shylock. Hall and his designer that in Suyer have provided a beautiful, conventional Italian Renaissance set-ting of a colonnaded square into which Hofiman's Shylock filts like a fly in the cintment.

Small and dapper, scything the air with elaborately eloquent gestures, this Shylock is as full-bloodedly semitic and "apart" as was Antony Sher's for the Royal Shakespeare Company. There is no hint of the Rothschild-like assimilation of the

Rothschild-like assimilation of the useful businessman uncovered by Olivier and Jonathan Miller.
Unlike Sher, though, he is less exotically Mediterranean than grimly Hassidic, with neat and bandy legs protruding beneath an ever-present black gaberdine. His hair is teased into a tiny pony tail and a pair of greasy ringlets that dangle from a black yarmulkah and are stuffed (surely some mistake here) by his daughter Jessica

Hoffman's Shylock

Michael Coveney reviews The Merchant of Venice



Leigh Lewson and Dustin Hoffman in Peter Half's new production at the Phoenix Theatre

under the black hat he dons to answer the Gentile dinner summons.

Is this play anti-semitic, or is it, valuably, about anti-semitism? I have

always thought the latter, and indeed count it among my favourite Shake-speare plays, poised dangerously, like Measure For Measure, between tragedy and romance. It always grips in the theatre. On being baited by the "Salads" Hoffman strikes a chill

fanatical rhetoric: "The villainy you teach me I will execute, and it shall go hard but I will better the instruction."

Hoffman finds much comedy in Shylock's relishing adoption of low status. Rattling the bars of his ghetto cage, he stores up resentment like a squirrel stores nuts. One day, one day . . . meanwhile, he is showered in Christian spittle (Sher went even further and was streaked with blood,

vile rheum hanging on his beard like an obscene dew) and pushed from pil-lar to post.

The first full gob is aimed at Shylock by Leigh Lawson's civilised, melancholy Antonio, and it caused a minor earthquake in the stalls on Thursday. Hoffman greets it with wryly smiling benignity, as he will greet the foul sentence of the Duke in the courtroom, where he is promptly

bundled into antagonistic oblivion by the smug Christians. No undue hang-ing about here for a nobly tragic exit. Hoffman gabbles a little, but Shake-speare is difficult and, as the star disarmingly admits, he is still learn-ing. The performance has many stri-king qualities, not least its piercing detail in remembering the ring he had of Leah, in stropping the knife against his leather sole in the court, in wink-ing at the Duke when the law seems ing at the Duke when the law seems

to favour him.

Abandoning his National Theatre style of Shakespeare production, Hail encourages an open conversational style of declamation, bringing the play right out to us as they might have done at the old Rose Theatre. The evening, it must be said, would be nothing without Geraldine James's luminous Portia, a vast improvement on all recent RSC occupants of the role, and the first in my experience to avoid priggishness. She glows and alters like a truly adventurous heroalters like a truly adventurous heroine, as good at self-examining as
cross-examining. Nathaniel Parker is
a fine, appealing Bassanio, Michael
Siberry an outstanding and acidulous
Gratiano, Peter-Hugo Daley and John
Cater a wonderful pair of Gobbos and
Basil Henson an exactly reproduced
animation of Bellini's Doge.

The casket scenes are heaptifully

animation of Bellini's Doge.

The casket scenes are beautifully arranged as in Venetian allegorical paintings, Jeffery Kissoon's Morocco, a marauding egotist, and Michael Carter's handsomely caparisoned Arragon (temporarily throat-infected?) both readings of refreshingly unflamboyant curiosity. Robert Lock. unflamboyant curiosity. Robert Lock-hart's music is plangently appropri-ate, both here and at Belmont, where

the comedy of the rings is executed with just dignity and wit. For once, you really do feel that Christian life and love can now proceed without the awkward, neces interventions of the foreign money-lender. The nastiest taste of all is left by the news that Antonio's fortune is safe. The Jew's Jewness can be safely consigned to a a category of bogey-man aberration. It is the strength of both play and production that we know to what extent Shakespeare, and his characters, are kidding them-

Fairies turn on the flower power in Regent's Park

That instruction grated on the free love assumptions of the hippie period, though Tita-ma's sexual insatisbility under the influence of Oberon's pur-ple dye struck resonantly home. Sally Dexter plays the fairy queen in her flower bower with volcanic volupbower with voicanic volup-tuousness. She has obviously tired of the pious ministrations of Saced Jaffrey's saffron-robed, unflappable Oberon, a walking, likeness of the Beatles' adopted Maharishi. Thesens (David Henry) is an

oddly absolutist follower of fashion in a psychedelic gar-iand-festooned Athens, while Hippolyta (Brigitte Kahn) is a leather-clad dead ringer for Emma Peel in *The Avengers*. The mechanicals are serious Christopher Benjamin's sweet bully Bottom in a cravat and sensible cords. There are no fairles in this theatre company. though Robert Styles's tartly whimsical Flute might give cause for debate. A great deal more than don-



lated. Some of it works, some of it doesn't, always the catch with anachronistic updates. The four lovers suffer most unless you convince yourself (I couldn't) that what happens to them in the wood is a painful lesson in the consequences of

system blares out the hits of the Beatles ("All You Need Is Love" at the finale), Procul Harem, the Yardhirds and even Engelbert Humperdinck ("Please Release Me, Let Me Go," an anthem more suitable for Ariel than for Puck). For the Park, the approach is

downright iconoclastic; indeed I cannot recall a superficially cheekier Shakespearian comedy production since the all-male National Theatre As You Like It, which also traded in late 1960s pop culture mannerisms. Trevor Laird's slinky Puck becomes a dawdling pimp in black titter and a green crushed velvet suit, Titania's fairles remnants from the Hair tribe with Kim Barry providing a lovely Scouse conflation of First Fairy and Mustardseed.

The production is cheeky, but not daring or genuinely innovative. It lacks poetry, soul, rapture, enchantment and any hint of dark eroticism. This harmless vision of the Age of Aquarius is probably just right for the age of corporate entertainment and sponsorship.

For Regent's Park remains a successful totem of the Thatcher years. It mostly pays for itself and upsets no apple carts. The Arts Council withdrew its support in 1980 in the first wave of major cuts. The three-and-a half month season costs £0.5m to put on, 70 per cent of that raised at the Box Office. 26 per cent from sooncent of that raised at the Box Office, 26 per cent from spon-sorship (Johnson Wax, partici-pating for the fourth year run-ning, have given \$20,000; the Nestle Company the same amount; and BP have given \$50,000 over three years for an educational programme) and the rest from various funding bodies including Westminster City Council who this year gave 232,000. The current

managing director is the actor Ian Talbot, who spent 5 years playing large roles with the RSC having first appeared in Regent's Park in 1971 as Bottom. He has just had his con-tract extended for another two years and is confident that the star-studded "Shakespeare boom" elsewhere will not affect business. Indeed, advance bookings are heavier than usual thanks to the fine

weather in May. While no-one, except the Guardian, seriously believes that to criticise the Royal Shakespeare Company is to de-stabilise a subsidised bas-tion, the fact is that a great blur is settling over the nation's Shakespeare produc-tion partly because of the RSC's artistic shakiness in the post-Trevor Nunn era. You are

Chess No. 775 White could have won by 1 RxB, RxR: 2 P-KB4 (PxP: 3 BxR or QxP 3 R-KB1). Black could then have saved the game by 1 ... Q-N3; 2 BxB, P-B3.

as likely to find distinctive, worthwhile Shakespeare pro-ductions at the Old Vic or on Shaftesbury Avenue as you are at the RSC.

The Dream in Regent's Park is not fully comparable, I admit, to John Caird's current rousing Stratford-upon-Avon version, but it is part of the same levelling out process between the RSC and the rest. On paper, the two casts are equally promising, and design gimmickry is joyfully embraced in the cause of sheer

Only seven of the 128 performances in Regent's Park were lost last year, even though we had the wettest July on record. And an audience survey revealed that 60 per cent of the audiences came from inner London and were in the 24-44 years-old age group. Tourists accounted for less than five per cent, with 20 per cent coming in from the Home Counties.

These facts certainly overthrow one or two of my precon-Park for more than just a show. They go for a proper night out, which is more than you can do in the Barbican. Talbot is optimistic as he prepares a new production of Twelfth Night and ponders his role in a new musical version of Plautus's *Miles Gloriosus*. As an RSC graduate, he treasures the value of a company atmosphere and has even taken the Bensonian step of organising a company tennis tournament.

In such small ways are maintained the idyllic traditions of Sydney Carroll and Robert Atkins, who started the theatre in the early 1930s. Carroll in particular was proud of the imported turf on the acting arena and boastfully informed an audience one evening, with the company ranged behind him, "that every sod on this stage comes from Richmond." But where are they going? This year, the answer is San Fran-cisco, with flowers in their

Michael Coveney

Video

So was President Bush, His

Other more familiar distract

'conceptually" relocated in the

Some nasty shocks for opera buffs

sound quality to those who watch opera on the small screen? It is tempting to guess "not very"; people who got into the habit in the days when TV loudspeakers were even ropier than they are now probably go for brilliance of visual image and let aural clarity go hang, perhaps not even bothering to connect their set to the hi-fi

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is one factor in the compara-tive lack of enthusiasm so far for CDV, which combines a clarity of image seldom attained on video tape with a soundtrack that approaches the definition and depth of a good modern recording. Some-how the very excellence of what you hear makes the smallness of what you see seem inadequate: a small

image goes better with small But I suspect there are other, earthier reasons for faltering CDV sales: a machine to play them costs around £500, and



despite the (frequently honest) the discs themselves do not come cheap compared with Maybe indifference to sound. tory on offer at the original launch last year exactly earthshaking: who needs something as tatty as the Karajan Otello when something just as tatty in the form of Zeffirelli's version is available at under half

the price on tape?
No, what was needed to get the medium off the ground was something that everyone wanted, like the Boulez-Chéreau Ring, of which only Das Rheingold is so far available. When the rest appears in the autumn, and when — as hap-pened with audio CD — hardware comes down in price, CDV may be in business.

Meanwhile, it's back to tapes, but there are worries in this department too. Anyone comparing a straight TV transmission with a commercial release on tape of the same performance is as often as not in for a nasty shock — washy colour with all the brightness and contrast drained out of it and highly variable sound. Two cases in point: the ENO Rusalka, which has lost far too much definition in its commercial release on Virgin (though the sound quality is actually better than it was on TV), and the Bergman Magic Flute (Longman/Pickwick), though nothing can dim the impact of one the few works of genius in the medium of television, one that just happens to be a pretty good opera as well. But by and large high-speed copying is spiting the industry's face with

a ha porth of tar. There's also sharp divergence of quality on older tapes Twe seen a Don Giovanni from Drottningholm in which no amount of button-punching could dispel a gloom that rendered the sets, not to mention the singers' faces, virtually invisible - and it's sad that in

parison of two versions of the same opera, Samson et Datila, the dice should be loaded on technical grounds before ever one gets round to the perfor-mances themselves. The San Francisco Opera version (Virgin VVD 393) is in washed-out colour and the overloading of the choral sound results in distortion that has one hastily switching off the stereo and reverting to TV sound.

Sadly, Nicolas Joël's produc-tion aims at dramatic values little higher than a comic strip, and the NVC recording of Eli-jah Moshinsky's profoundly intelligent production for Cov-ent Garden wins hands down ent Garden wins hands down as a reading of Saint-Saëns's opera. Similarly, while there will undoubtedly be a market for Placido Domingo doing the full Victor Mature as Semson, Jon Vickers's disturbingly close sense of identification with the Old Testament warrior is nearer the mark. Shirley Verrett, today's most persua-sive Delilah, is common to both issues, though she is not helped in the San Francisco version by entering in afrock more suitable for Miss Havisham. There are moments of high comedy in the SF Baccha-nale (Covent Garden's was actually rather nasty) and the High Priest's first hat is a collector's item. Add Julius Rudel's lackadaisical conducting and the choice is clear: stick to Covent Garden, Colin

Davis and NVC. One of happiest aspects of the opera video industry is its exploration of repertory beyond endless *Toscas* and *Rigolettos*. There is only one (not very good) audio recording of La gazza indra, a work as stirring as it is important his-torically, which makes the Cologne performance on Virgin (VVD 345) all the more wel-

one of the comparatively rare come. Technically the standard opportunities for straight comission, which is what it is, of Michael Hampe's serious, unshowy production capably conducted by Bruno Bartoletti.

As always, Ileana Cotrubas

is so enormously appealing to look at that all worries about quavery tone and shortness of breath are dispelled; hers is a complete Ninetta. David Kuebler not only emerges unscathed from the hideous technical difficulties of the tenor role but often sings it extremely beautifully, and Brent Ellis is exceptionally vivid as the heroine's father (he is given the frequently cut second-act aria, and certainly earns it). The only disappoint-ment is Alberto Rinaldi, who funks the semiseria aspect of the Podestà's role and settles for melodrama — a pity, as the way the rest of the cast patently believe in everything they are doing is what makes this performance of a noble and inspiring opera work so decisively.

I should hate to have defend the Verona Arena Attila (NVC/ Castle CV1 2055) in a critical court of law - the windmill "acting" has to be seen to be believed and there's some pretty rough singing-but Brian Large's clever direction captures the whole Verona "experience" faithfully, and under Nello Santi's rip-roaring baton the cast (Maria Chiara, Veriano Luccheti, Silvano Carroli, Yevgeny Nesterenko) wham into this fabulous brew of early Verdi blood-and-guts as if the devil were on their tails. The technical standards are well above average, and I loved every minute of it. Highly recommended.

Rodney Milnes

Pick of the week



Jack Butler Years, R.H.A. (1871-1957): The Greater Official, signed lower right Jack B Yeats, oil on punel, 14 x 9 in. Painted in 1913. To be sold at Christie's on 9 June.

THIS PORTRAIT of The Greater Official is from a series of twelve oils painted by Yeats as illustrations to Trishmen All, a humourous and satirical

novel by George A. Birmingham describing frish types. Years's oils and drawings were based on his observations of Life in the West of Ireland', the title of the book of drawings he published in 1912, and under which he exhibited all his paintings. Although the subjects for Birmingham's novels were drawn from all over Ireland, they matched the tone of Years's drawings so well that Years was able to provide illustrations working simply from a list of chapter headings and summary of the author's intentions.

This painting, and also 'The Exile from Erin' from

the same series, will be included in the sales of Beitish and Irish Traditionalist and Modernist Paintings, Watercolours, Drawings and Sculpture on Thursday, 8 June at 2.30 p.m. and Friday, 9 June at 11.00 a.m. For further information on this or any other sales in the next week, please telephone (01) 839 9060.

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PARTIE CONTINUE PROPERTY AND THE CONTINUE CONTIN

It's Dubai's Derby at last

Nashwan is the only horse in it, says Michael Thompson-Noel

the Sheikh Mohammed and his telly from San-down last Monday, I did not see red. But I saw a lot of maroon with white sleeves, a maroon cap and white star. How could I not? For these are the racing colours of Sheikh Mohammed bin Rashid Al-Maktoum of Dubai, who was blowed if he wasn't going to win Sandown's £35,000-added Henry II EBF Stakes over two miles

To which end, the good sheikh sent out three of the eight runners: Sadeem, last year's Ascot Gold Cup-winner, scooping the first place prize of £25,092 followed by Zero Watt, second (£9,294.85), and Zaf-faran, third (£4,384.93) - all of them sporting those oh-so-familiar maroon and white silks. For good measure, the fourth horse home, Daarkom, is owned by Sheikh Mohammed's brother, Sheikh Ahmed Al-

Sheikh Mohammed has already been leading racehorse owner in Britain four times, and is banking on another bumper season in 1989. Apart from monopolising the Henry II Stakes, he had winners all and not just in England. That seems reasonable, given that

ture. In good old imperial days, you might almost have called it a

way of life. It is resplendent

with customs, rituals and, best of all - although most inap-

propriately of all in these utili-tarian days - the hallmarks of

has a badge and colours, and one of the nicest things about

cricket is that these adorn-

seeing him enter this summ

lists against England in the

Texaco Trophy one-day inter-

nationals last weekend,

Every first class cricket team

RICKET is more than

a game. It is a cul-

dressed in white. It restored faith in the silent forces Gavin Ewart describes in his poem, Not Quite Cricket? "Watching cricket is hab-

brothers have assembled the

mightiest bloodstock empire in

the history of the thorough-

bred. They own hundreds of horses, in Europe and America,

and stud farms galore. They

have spent millions and mil-

lions - no-one knows how many - and are now starting

to reap their just desserts, not only on the racecourse but at

'He's going

to romp

home by

four lengths'

Occasionally, the Maktoums' mighty spending causes envy and chipiness. For example,

some time ago Phil Bull, founder of Timeform, which produces analysis and ratings.

told me that he had had to cut

back as an owner and breeder

because he could not compete with the Arabs: "These are

people to whom money is of

virtually no consequence. Their money, after all, comes

The alternative view is that the Maktoums' heroic spending

spurting from the ground.

their breeding farms.

It can become habitual It's a kind of long-lasting white-robed ritual."

Border, restored long since to the white-robed ritual, boasted two badges in the one-day internationals, as did most of his team: one on his cap and one on his sweater, which was outlined heavily in Australian green and gold.

ments play a part in the game.
Not an active part, such as is
played by cruder weapons like
the bat and ball, but a psychological part which always has No-one could accuse the Australian cricket adornments of being under-stated. That would some significance and can occasionally be crucial. If you have soul and saw be like accusing an Australian of drinking tea. The shield on their badge, for instance, is Allan Border playing in Packer's World Series cricket, supported on one side by a kangaroo, on the other by an dressed in bright yellow, you will have felt a quiet delight at emu - almost too good to be

But the shield they hold contains a set of symbols as mys-terious as the supporters are obvious. Perhaps mystery and investment have given a mighty shot in the arm to English racing and breeding, and that their praises should

For all their successes, however, the Maktoums have yet to win the English Derby at Epsom – although the gap will be plugged if Nashwan wins next Wednesday in the colours (royal blue, white epaulets, striped cap) of Sheikh Hamdan Maktoum, who has already had the privilege of watching this strapping chestnut son of Blushing Groom power to classic victory in the 2,000 Guineas at Newmarket.
(I am supposed, incidentally,

to refer to next week's great race as the Ever Ready Derby, in honour of the sponsor, but I cannot be fagged. Not because the sponsorship by Ever Ready isn't generous — nay, bounteous — but because the Epsom Derby has been run for more than 200 years and will still be a dazzling spectacle in 2189 - which might not be true of

dear old Ever Ready).
In order to get to the bottom
of next week's Derby so as to bring you the finest intelli-gence, I first toyed with pedigrees, pondering the so-called "stamina index" propounded by Sir Francis Galton.

Epsom; its switchback Derby course over one-and-a-half miles twists and turns and rises and falls before ascending to the winning post along a finishing straight that happens to slope steeply from right to left. What a horse race. However, a stamina index will tell you nothing about speed. So I abandoned that approach.

My next brainwave was to hide in the bushes on the training gallops at Newmarket and Pulborough with notebook and binoculars and jot down ring-ing phrases such as "Nashwan galloped six good furiongs, and then galloped back again," or "Cacoethes breezed gaily round three sharp corners, and then bit the vet." But I am suffering from yuppie flu, and cannot find my binoculars, and have heard that the bushes attract some genuinely odd charac-

Whenever I am in doubt, I wheel out Plan C, which involves talking to bookmakers not the scallywags who manage betting shops, or take your money at the racetrack, but men of power and vision who control megabuck companion conductors. nies and swap bi-coastal assets. There are only three of them left. They are international



Nashwan, the heavily-backed Epsom Derby favourite, with owner Sheikh Hamdan Al-Maktoum

financiers in the grandest mould who could buy and sell Rupert Murdoch before 9am. For most of the time they sit in perfumed counting houses, counting out their money and communing with the laws of probability via banks of computer screens and satellite feeds. They are always pleased to see me. They will see no-one else. They enjoy my jokes, and my refreshingly tart questions.

screens so that we can watch the action in Florida or Hong

I visited one of them yester-day. "Michael," he said, as we sat in leather armchairs, "you ask me what will win the Derby and I say to you - only one horse will win the Derby, and it will not be Cacoethes (the second favourite), even though Guy Harwood's stable is oozing confidence. Cacoethes is by Alydar – that we like. And he won the Lingfield Derby Trial impressively. Yet Servants bring us food in golden dishes, and water with bubbles, and little silver

what did he beat? I say to you - not very much. Cacoethes will start at 5-2 and will lead them round Tattenham Corner, But he will crack and flounder.

mark our words. "Prince of Dance, in the Sobell colours, will be useful later on. But not next Wednesday. Not at Epsom. So you say me - how about Torioun. And I say to you - not on your life. The same with Warrshan. He redeemed himself a bit in the Predominate Stakes at Northern Dancer. That we like. But he's a bit high and mighty - he cost Sheikh Mohammed a great deal of money. He is also lazy. He won't like the bands and the jellied eel stalls and the Derby crowd milling. Forget about Warrshan.

Greenwich Papillon. And he's a

"Only one horse will win the Derby, and that is Nashwan a good winner of the Guineas and with that fatal bit of speed that will leave them for dead inside the last two furlongs. He's by Blushing Groom, o course - nothing wrong with that - from a mare by Bustino

nothing wrong with that. We

like everything about him. "So you say to me - or per-haps you wouldn't: you're far too shrewd - that no Guineas winner has won the Derby since Nijinsky 19 years ago. Remember how Nijinsky's sta-mina was said to be problematic? That didn't worry him. And he started at Epsom at odds against — 11-8, can you believe it? — for the first and only time in his career. Those

"Nashwan's not Nijinsky, but he's not bad at all. He's going to romp home. He will win by four lengths in near-re-cord time at — let's just punch this button: talk to the big computer — 6-5 or evens. You say to me - those odds are a bit cramped. But I say to you Nashwan's the best Derby bet of the past 15 years. I'll see you at Epsom. Enjoy yourself, my dear."

Each of those words is a pearl beyond compare. I shall have a five-figure bet. Nashwan is home and hosed.

depths and emit much chaos.

The Surrey colours are choco-late but often look more like

Cricket

Badges and the badgered

identifiable symbol is a ship. Underneath is what looks like onderneath is what looks like a can of Fosters crushed in the middle and stood on end. That would fit the image. But next to it is a pair of crossed swords, looking disconcertingly like those of the Vatican. The last quarter of the Australian shield takes any element of daugerous mystery to ment of dangerous mystery to the point of light relief. An ani-mal halfway between a dingo and an elephant carries something halfway between a coathanger and a kookaburra upside down on its back.

Towards the end of the Trent Bridge one-day international. the spirit of this hippogryph (or whatever it is) appeared to inspire the Australian wicketkeeper, Healy, in his farcical hit and rum antics and accom-panying dramas.

When badges do produce reaction, they do it through undertones and overtones. Australia's cryptograms ooze menace; England's look to the Plantagenet past to undermine the enemy, with a crown and three léopards, and lionnés (leopards and lions combined), at once rampant and passant (charging about and dozing at the same time).
This is the allusive approach

and, like the improvement in the May weather this year, is important to cricket but not Decorative touches usually have their strongest effect for the positive, especially on new,

wear a team cap and blazer for the first time with child-like pride. This is the team pride which, tinged with sadness, makes old players and fans romantic about their memories of old games.

Francis Thompson's poem At Lord's, recalls nostalgically the Lancashire matches he used to watch as a child in the north, preferring not to watch Lancashire play any more as an adult in the south:

"Though the red roses crest the caps, I know.

For the field is full of shades as I was the shades a cont

as I near the shadowy coast, And a ghostly batsman plays to the bowling of a ghost. While red rose-crested caps and blazers were becoming

first-class use everywhere by the mid-19th century and umpires were getting rid of their local colours and badges in favour of uniforms, usually with dark jackets. Modern umpires have trans

ferred the white part of their clothing from the silk stocking end up to the jacket end, and the dark part from the three-cornered hats' and jackets' end down to the transcept and This down to the trousers' end. This gives them a mixture of black and white, no colours signifying club, neighbourhood or

I was sorry to see the umpires at the third Texaco Trophy match letting this new tradition go and wearing badges. Neutrality is less neutral when it carries a badge, be it a sponsorship or a professional emblem.

sional emblem.

In that sense, there is something touchingly unpretentious about the simplicity of New Zealand's fern-leaf badge, echoing the New Zealandishness of the country's butter as marketed in England. No need for a motto with a hadge like that a motto with a badge like that. Australia goes back to its fullfrontal approach on the matter of mottoes with the name "Australia" on a scroll under the shield.

But where there's a motto there is often an enigma or, at least, something difficult. Nottinghamshire, for instance, has a badge with stags supporting a majestic shield; underneath is the motto "Vivit post funera virtus" (Courage lives after a funeral). Heavy with menace for the opposing team, but only if they read Latin. No one can beat Surrey for hidden depths, meanings and languages that have many

maroon. The badge is brown and white with the motto "Ich Dien" (I serve) underneath the three Prince of Wales feathers It was the motto of the blind King of Bohemia, who chained himself to his knights so he could lead them into the battle of Crécy in 1347. He lost. The Prince of Wales won and got the King of Bohemia's badge. The Prince of Wales is also landlord of The Oval because it is in a bit of London belonging to his Duchy of Cornwall. When in doubt or in trouble

tired of watching teams like Surrey lose or trying to figure out colours and badges, a cricket romantic does best to lean back on the chivalrous impressions they create "As the run-stealers sticker to

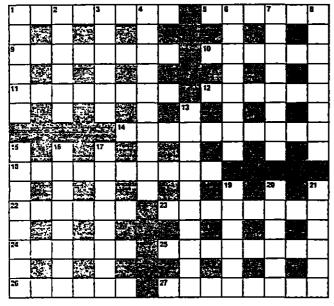
To and fro." -Francis Thompson Teresa McLean

CROSSWORD

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ACROSS

2 Position of unwelcome adviser in saloon? (4-4)

5 Broadway, say, a meeting-

9 Dector's capital used for disease-carrier (8) 10 Loosen needlework and relax (6)
11 Pithy saying of GP at home.

possibly (8)
12 Take stock of others? (6) 14 Tender name, in a way (10) 18 Scratched old record, simple

to repair in former times

22 Clock in news item (6) 23 Place for cooling tar in shanty? (8) 24 Tracks of the northern

lines? (6) 25 Walker gives long wave on street (S) 26 Try again in court (6) 27 Well disposed, like some

1 Mine always here in India? 2 Star players with feet of gold (6)

3 Type reported as quested (6)
4 Stagnation affected this adversary (10) 6 Coach-attendant at rear or the front (8)

7 Decade when Einstein developed? (8)

8 Petition in French alliance

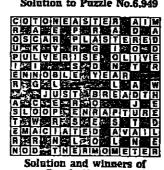
13 Weapon of a class to quicken the pulse? (3-7) 13 Musical play over the hill?

Slick impresario needed (8) 16 Careless hit and run (8)

17 Shady sort of agency provid-ing general cover (8) 19 Wild region to pass over (6) 20 Thwarted (ellow under the

21 Blustering Frenchman in Solution to Puzzle No.6,949

influence (6)



Puzzle No.6.939



Mr S. Davey, Brighton; Mr P.F. Fuller, Saffron Walden, Essex; Mr B.M. Robertson, Beckenham, Kent; Ms P. Shelley, Edg-baston; Mr J.M. Stevenson, Woking, Surrey.

200 sm Roobarb. 235 The Rectoons. 2:08 On the Waterfront. 10:35 Cartoon. 11:36 FBm:

"Up in The World" with Norman Wisdom.12:27 pm Weather. 12:38 Grandstand festuring 12:35 Hockey; 1:45 Racing from Lingsleid Paris. 1:30 Moiar Racing (the indianapolis 500): 2:15 Racing from Lingsleid Paris. 1:30 Moiar Racing the indianapolis 500): 2:15 Racing from Lingsleid Paris. 2:39 Golf (Tribri round action from the Dunhill British Masters al Woburn).

5:05 News. 5:15 Sport/regional news. 2:29 Rolf Harris Cartoon Time. 8:25 MacGyver. 2:35 Thai's Show Business. 7:05 Bob Says... Opportunity Knocks. 8:15 Columbo. 9:45 Bob Says... Opportunity Knocks. 8:15 Columbo. 9:45 Bob Says... Opportunity Knocks. 8:12 News and Sport. 19:49 Master of the Day (highlights from the England v Potand World Cup qualifying match from Wentbely). 11:30 Film: The Looking Glass War? with Christopher Jones. Raigh Richardson, Arthony Hopkins and Pla Degermant.

245 pen Network East. (2:28 Film: "The Med Miss Manton" (Barbera Stamwyck stars). 4:48 Golf from Woburn (the Durchill British Masbers). 6:48 Film: "Kings of the Sun" staming George Chaldris 7:29 Newslow & II The Soliywood Story (a twe-pen history of Indian cinema) 78:15 Film: The Servent' starring Dirk Bogarde, Surah Milea and James Fox. 11:48 Golf [highlights from today's mind round in the Dunhill Brillish Masters). 11:45-12:20 am Depache Moder. The Story Of 101.

LONDON

ESS am Pisybus. 9:15 Making Sense... of Eds. 2:38 7his is the Day, 16:39 Panchmade. 16:39 Rusiness Madiers: Make Money, Make Money. 16:35 When in less, 1:239 Help Your Civid with Maths. 11:35 Who In less, 1:239 Sheets On the Record 2:30 EastForders, 3:30 Film: "Picnic: William Holden, Kim Novak and Record: 16:30 County File. 1:39 News, On the Record 2:30 EastForders, 3:30 Film: "Picnic: William Holden, Kim Novak and Recording Picsessell star. 4:30 Head of the Cleas 2:15 Crothes Show Trave Classics, 2:40 The Animais Roedshow. 6:15 The Big E. 6:25 News. 8:40 Val Doonican's Honseward Bound. 7:18 Three Up., Two Down, 7:46 All Creatures Great and Small. 9:40 Massormind. 8:10 News. 9:25 That's Life. 10:16 Everyman: 'Life Under Coungition,' in postrat of the in the Gaza Ship.' 11:50 Dear John Uphr. 12:18 ass Notwork East.

COS BUT Vom Broaklest Programme. 9:26
Chost Train on Sunday. 10:15 The Campbelle.
10:46 Link 11:30 Morning Worship from General Methodist Hall. Cartisto. 12:30 Visions.
12:30 pm The Weekend Live. 12:45 Police 5.
12:30 Local News and Weether. 1:36 TN
News. Isolowed by ITV National Weether. 1:16
Eyewilness. presented by Carson Black.
Machael Elbot, Trevor Phillips. Paul Rose,
Jan Rowland and Sebastion Scott.
2:20 Colonging Street Ann Schelden MSC.

LONDON

CHANNEL 4

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BORDER

CHANNEL 4

S4C WALES

ANGLIA

of York: An Alpine Assignment. 8:39 The Wonderful World of Disney, 8:39 ITN News followed by ITV National Weather. 6:39 ITN News, followed by ITV National Weather. 6:39 ITN News, followed by ITV National Weather. 8:35 Local News and Weather 6:40 Highway. 7:15 Familiv Fortunes. 7:45 Munder, She Wrote. 8:45 ITN News, followed by ITV National Weather. 9:30 Local Weather. 8:56 Football Special 12:35 am The Chart Show followed by ITN News Headlines.

CHANNEL 4
7:00 am All Muck and Magic? 7:30 International Times. 2:00 David the Gnoma. 2:30
Children of Fire Mountain. 2:00 Dennia. 2:23
Movie Mehal. 18.00 Australian Rules. Football. 11:00 Pob's Programme 11:29 The Henderson Kids. 12:00 The Wallons. 1:30 pas Lest
in Space. 12:00 Charife Chapilin in "Pay Day."
2:25 Channel 4 Racing international: The Prix
du Jockay-Club Lanola Live from Chardilly.
France. 3:05 Animation Has No Borders. 3:10
The Gavasty of the Glouds 12:55 "This Gus
for Hire" starring Alan Ladd. 2:25 News Summay and Westner.
8:30 7-Sport. 8:45 The Cooty Show. 7:15
The Last Navigalor. 2:15 Dance os 4 Meds in
USA. 8:20 Peter Cushting: A Ono-Viny Ticket
to Hollywood. 10:50 "The Hound of the Beslevivilles" (Peter Cushting stars with Andre
Morall). 12:23 am The Bridge of Dracula."

As Channel 4 sacept.

1:00 pm Sar Test. 1:20 Fideo 9, 12:10 Movie Nauseum: The Lost World' (Walace Betry and Beale Love star.) 2:10 World Alve Spain.

3:45 Allegra Carmon - The Dream and the Destiny. 7:20 Pobol Trasguide. 7:25 Newyddion 7:30 Carvi Ac Erian. 8:09 Hei Simson. 8:30 Dechrau Canu Dechrau Camunol. 8:00 A Fo Ben. 8:45 Y Daw Byw. 8:58 Fragile Earth. 10:50 Film on Four: "Cal," starring Helen Mirren and John Lynch.

8:A Regions as London except at the following these:

ANGLIA



TELEVISION & RADIO

Charles Chaplin stars in "A King in New York": C4, 2 pm

CENTRAL

GRAMPIAN 11:30 am The Chart Show. 12:20 pm A tomach Duthalch -{Another tanksy story for young viewers who speak Gaelic). Erit Criomagan (A Gaelic took ahead to the coming week in the Highlands and Islands).

CRAMADA

SCOTTISH

11:30 am The Partridge Family Film: "The Mudiark" starring in Alec Guinness and Andrew Ray.

71:39 am The Chart Show, 12:39 pm Super-cross the Honda UK Open).

TYNE TEES

YORKSHIRE

BBC RADIO 2

205em David Jacoba. 2:00 Sounds of the 50s with Peter Sarriadt. 19:00 Anne Robinson. 7:200 Genid Harper. 1:90 pm?hr Long Hot Setsura. 1:30 Sport On 2. Including football, golf, tennie and racing from Lingfield Park. 6:50 Cinema 2 with Charles Nove. 6:20 Ryself when Young. 7:20-Pop Boors. 7:20 The Orchestral World of Nigel Brooks. 2:20 The Orchestral World of Nigel Brooks. 2:20 The Bristopols at Chichester. 8:20 String Sound. 6:20 Research World of Nigel Brooks. 2:20 The With David Gelly. 1:205 Patrick Lurit presents 7:50 Patrick Lurit presents 7:50 Patrick Lurit presents 7:50 Patrick Lurit presents.

BBC RADIO 3

Procorders/bass stat/herps/chord. \$49 JazzProcorders/bass stat/herps/chord. \$49 JazzRecord Requests. \$48 Critical Forum. \$418
Melands Marwell (choe) and John Lewhan (plano): Robert Saxton (Arias). Lukyeas (Prespes for solo Oboo). Rothard Rodney Germet (After Syrins). 7:10 The Idealistic Carp. 7:10
Yerd Regulem" conducted by James Conlon in St David's Half, Cardiff, with eoloists, choirs and his 88C Weish SO. 8:50 The
Living Poet. (Stewart Conn introduces and
reads his work). 6:25 Soodist Chamber
Orchestra conducted by Peter Maxwell
Davies, with Ernat Kovacic (volkin) and
George Mcliwharn (baggipes): Mozart (OverJare. The Marriage of Figero). Maxwell
Davies (Viotin Concerno). Mozart (Symphony
No 41. Jahler). Marwell Davies (Orkney
Wedding, with Sumrise) 11:39 Opbussay Budes
played by John Binjahan (plano). 12:30-12:35
and Novo.

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Australia in the second one-day international
at Trent Eridge.

BBC RADIO 4 7:00 nm Today, 9:00 News 9:30 Breakaway, 18:00 N with Ned Sherrin, 17:00 Ne Art of the Political Interv

SUNDAY

BORDER

CENTRAL

CHANNEL 12:39 pm Reflections. 12:35 Les Français Chez-Vous. 12:56 Cyrll Flatcher's TV Clarden. 8:60 All Clued Up. 8:36 Survival. 8:00 The Duchess of York: An Alpine Assignment. 11:38 Stadee Hammart 12:35 am Soes. 12:38

GRAMPIAN

GRANADA

HTV

12:20 pm West Country Ferming, lollower Westher for Fermers. 2:00 Chartie's An 8:00 All Clued Up. 8:30 Corension S formibus estition). 11:25 World Cup For (highlights of the World Cup qualifying in between the Republic of Iroland and

18-45 am Glen Michael's Cavalcade on QMTV. 11-15 Link. 11:36 Sunday Service, 12:38 pm Scottish Supplement. 6:08 Shinty. 6:38 Scottish country. 11:36 World Cap Football (Republic of Ireland y Hungary). 12:36

TYNE TEES 1 2:30 pm Faicon Island, 2:00 Who's the Soss? 2:39 All Chard Up. 5:09 Scottish Country, 5:30 Caronation Street Omnibus. 11:30 Inner Sosos. 12:30 Living and Growing for Autise. 7:225 pm. ITM News Headlines. 12:27 World Cup Football (Republic of Ireland v Hungary).

12:35 pm Preview. 2:05 Whose Land, the Boglend? 2:36 Reliverses, 6:90 All Cheed Up. 5:36 Coronation Street (emailibus edition). 11:35 World Cup Football. 12:35 am Hammer

RADIO

BBC RADIO 2

ebc radio 3

EBC RADIO 4